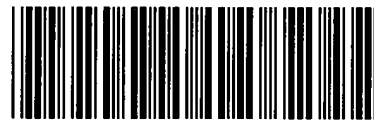


**Northwood Park Educational Trust
(formerly Northwood Park Primary School)**

Annual report and financial statements

For the year ended 31 August 2016

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Northwood Park Educational Trust
(A company limited by guarantee)

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Northwood Park Educational Trust
(A company limited by guarantee)

Reference and administrative details of the academy, its trustees and advisers
For the year ended 31 August 2016

Members	C Nightingale C Tagg E Westwood (resigned 31 March 2016) G Bladon (appointed 1 April 2016)
Trustees	C Tagg, Chair C Nightingale, Vice Chair S Adcock (resigned 31 March 2016) J Addinell (resigned 31 March 2016) M Faulkner (resigned 31 March 2016) D Hardaker (resigned 31 March 2016) I Harris (resigned 31 March 2016) T Keyworth (resigned 31 March 2016) G Morris M Price (resigned 31 March 2016) R Sandel (resigned 17 November 2015) A Tagg (resigned 31 March 2016) E Westwood (resigned 31 March 2016) G Bladon (appointed 1 April 2016) G Draycott (appointed 1 April 2016) M McManus (appointed 1 April 2016) C Pook (appointed 1 April 2016)
Company secretary	G Draycott
Company registered number	09341839
Company name	Northwood Park Educational Trust
Principal and registered office	Collingwood Road Bushbury Wolverhampton WV10 8DS
Senior management team	G Morris, Executive Head Teacher G Draycott, Academy Business Director M Price, Head of School (NPPS) N Boys, Head of School (LF) R Joannou, Deputy Head of School (NPPS) S Field, Deputy Head of School (LF) R Cook, Assistant Head of School (NPPS) R Adams, Assistant Head of School (LF) J Small, Senior Teacher (NPPS) J Grice, Senior Teacher (NPPS) E Morris, Senior Teacher (NPPS)
Independent auditors	Dains LLP Statutory Auditor Chartered Accountants 15 Colmore Row Birmingham B3 2BH

Northwood Park Educational Trust
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Northwood Park Primary School converted as a standalone academy on 1 January 2015. As a result of our outstanding data, ethos and ambitious plans for development, we were selected as a Sponsor for Lodge Farm Primary School (formerly Lodge Farm JMI) and together formed a Multi Academy Trust (MAT), known as Northwood Park Educational Trust, on 1 April 2016.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Northwood Park Educational Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Northwood Park Educational Trust. Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

b. 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.

c. Method of recruitment and appointment or election of Trustees

Parent elections take place when parent Governor vacancies are available. Governors are co-opted by the Board of Trustees where skills gaps are identified.

Prior to the conversion from standalone academy to Multi Academy Trust on 1 April 2016, Trust Members carried out a skills audit to assess gaps in Trustee and Governor knowledge. As a result of the skills audit, existing Trustees were allocated roles on either the Board of Trustees or the Local Governing Body. New Trustees were appointed to ensure that any skills gaps identified during the audit were filled. Regular training and skills updates are available to all Trustees and Governors.

d. Policies and procedures adopted for the induction and training of Trustees

The Trust purchases a Governance SLA which includes a full training programme for Trustees. All Trustees receive details of the training available. New Trustees are invited to visit the school and meet with any link staff relevant to their role on the Governing Body.

e. Organisational structure

Northwood Park Primary School ("NPPS") was a standalone academy until 31 March 2016, when it became a Multi Academy Trust, following the successful sponsorship of Lodge Farm Primary School (formerly Lodge Farm JMI).

Following the conversion to Multi Academy Trust status, significant changes were made to the Governance structure, ensuring that the Trust was in the best possible position to drive the academies forward.

The Board of Trustees consists of seven highly skilled Directors, who are responsible for establishing an overall framework for the governance of the academies. The Board of Trustees has overall responsibility for setting general policy, adopting an annual plan and budget, monitoring the use of the budget, making strategic decisions about the direction of the company and senior staff appointments.

Trustees meet at least termly, and currently act as a Local Governing Body for Lodge Farm Primary School, in advance of a suitable Governing Body being established.

Northwood Park Primary School has an established Local Governing Body, with delegated authorities to Local Governing Body Committees.

The Trust's Executive Head Teacher is the Accounting Officer and the Trustees are responsible for the performance management of the Executive Head Teacher.

f. Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees adopts a Pay Policy which is reviewed on an annual basis. The Governing Body is involved in the recruitment process for all Leadership positions and the staffing structure is reviewed annually. A Pay Committee, made up of three independent Trustees, reviews pay for all staff on an annual basis.

Objectives and Activities

a. Objects and aims

It is our overall aim to raise the standards of education for all children at both Northwood Park Primary School and Lodge Farm Primary School, and to promote continuous improvement.

We achieve this by making a firm commitment to achieving Best Value in all areas. We will strive to demonstrate economy, efficiency and effectiveness. We will:

Challenge	why, how and by whom an activity is carried out
Compare	performance against other schools and between parts of each school
Consult	involving stakeholders, especially pupils and parents
Compete	as a means of securing efficient and effective services

b. Objectives, strategies and activities

Northwood Park Educational Trust aims to provide a balanced and broad curriculum, based around the five outcomes of 'Every Child Matters' which:

- promotes the spiritual, moral, cultural, mental and physical development of pupils at school and in society.
- prepares pupils for the opportunities, responsibilities and experience of adult life.

We recognise and fully subscribe to the following principles that, within the primary school ethos, staff at Northwood Park Educational Trust aim to:

- provide all pupils with access to a broad and balanced range of educational opportunities whatever their sex, race, ethnicity, or special circumstances;
- promote the development of each pupil's intellectual, social, emotional, spiritual, aesthetic, creative, moral, ethical and physical attributes;
- offer a curriculum which enables pupils to develop the ability and commitment to participate as actively and constructively as possible in society;
- take proper account in the educational process of other influences to which young people are exposed by their own cultures, communities and society;
- nurture inventiveness, originality and creativity at all stages of the educational process and encourage children and staff to work together to ensure the highest possible standards of work and behaviour.

We also fully support the notion of entitlement within the education service, the entitlement to a good quality education, particularly the entitlement of each child to a full and varied educational career.

To help fulfil these aims, the governors and school have provided significant extra classroom support to help meet the needs of the integrated pupils and also to release all teachers in order that they can monitor and manage their curriculum areas, support colleagues and improve standards.

c. Public benefit

The Trustees confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Achievements and performance

a. Review of activities and key performance indicators

Pupils across the Academy are performing above national in most areas.

Northwood Park Primary School (NPPS) - Attainment

Phase	Subject	School	National	Difference
Foundation Stage	Good Level of Development	66%	69%	-3%
	Reading Expected Standard	75%	74%	+1%
	Writing Expected Standard	74%	65%	+9%
	Maths Expected Standard	81%	73%	+8%
	Science Expected Standard	80%	82%	-2%
Year 1	Phonics	77%	81%	-4%
KS1	Reading Expected Standard	75%	74%	+1%
	Writing Expected Standard	74%	65%	+9%
	Maths Expected Standard	81%	73%	+8%
	Science Expected Standard	80%	82%	-2%
KS2	Reading Scaled Score 100+	75%	66%	+9%
	Writing Expected Standard	90%	74%	+16%
	Maths Scaled Score 100+	89%	70%	+19%
	Grammar Scaled Score 100+	85%	72%	+13%
	Grammar Greater Depth	44%	22%	+22%
	Science Expected Standard	85%	81%	+4%
	Reading, Writing & Maths combined Expected Standard+	64%	53%	+11%
	Reading, Writing & Maths combined High Standard	3%	5%	-2%

a. Review of activities and key performance indicators (continued)

Key performance indicators that NPPS assess to analyse the performance of the school.

Monitoring

The monitoring of standards of attainment, pupils' progress, teaching and learning, the curriculum and all other aspects of school life is an important responsibility to which we will give high priority. An effective monitoring strategy will be a key part of our management structure that will enable us to carry out data analysis, evaluate processes and outcomes, evaluate, review, plan and set targets to enable the school to make good progress and improve and raise the standard of achievement of all its pupils.

The information from monitoring will be used by governors, working with the Head Teacher, to set the educational priorities of our School Development and Improvement Plan. We also aim to keep governors and parents well informed about the work of the school. Monitoring leads to evaluation and planned action so that we can continually improve and develop as a school. Each year we consider how we are currently performing and from this we prioritise those areas which are to become targets within the SDIP. Each target within the SDIP is monitored and evaluated against success criteria.

For Monitoring to be effective in leading to improvement, we believe it must be set in a positive climate, include frequent and positive feedback, identify and use strengths of Staff, be set against specific targets and refer to intended outcomes including pupils' achievements and improvements in the classroom.

Raise online

Scrutiny of this data published in October, along with the Inspection Dashboard, feeds into the self evaluation process and development planning. All outcomes are shared with all stakeholders.

Numbers on roll

The popularity of NPPS continues to grow. Numbers on roll have grown from 519 pupils to 569 within the year.

Attendance

Attendance figures have improved year on year.

a. Review of activities and key performance indicators (continued)

Lodge Farm Primary School ("Lodge Farm") - Attainment

Phase	Subject	School	National	Difference
Foundation Stage	Good Level of Development	71%	69%	+2%
	Reading Expected Standard	75%	74%	+1%
	Writing Expected Standard	71%	65%	+6%
	Maths Expected Standard	71%	73%	-2%
	Science Expected Standard	88%	82%	+6%
Year 1	Phonics	77%	81%	-4%
KS1	Reading Expected Standard	64%	74%	-10%
	Writing Expected Standard	62%	65%	-3%
	Maths Expected Standard	64%	73%	-9%
	Science Expected Standard			
KS2	Reading Scaled Score 100+	47%	66%	-19%
	Writing Expected Standard	79%	74%	+5%
	Maths Scaled Score 100+	94%	70%	+24%
	Grammar Scaled Score 100+	79%	72%	+7%
	Science Expected Standard	68%	81%	-13%
	Reading, Writing & Maths combined Expected Standard+	38%	53%	-15%

a. Review of activities and key performance indicators (continued)

Key performance indicators that Lodge Farm assess to analyse the performance of the school.

Monitoring

The monitoring of standards of attainment, pupils' progress, teaching and learning, the curriculum and all other aspects of school life is an important responsibility to which we will give high priority. An effective monitoring strategy will be a key part of our management structure that will enable us to carry out data analysis, evaluate processes and outcomes, evaluate, review, plan and set targets to enable the school to make good progress and improve and raise the standard of achievement of all its pupils.

The information from monitoring will be used by governors, working with the Head Teacher, to set the educational priorities of our School Development and Improvement Plan. We also aim to keep governors and parents well informed about the work of the school. Monitoring leads to evaluation and planned action so that we can continually improve and develop as a school. Each year we consider how we are currently performing and from this we prioritise those areas which are to become targets within the SDIP. Each target within the SDIP is monitored and evaluated against success criteria.

For Monitoring to be effective in leading to improvement, we believe it must be set in a positive climate, include frequent and positive feedback, identify and use strengths of Staff, be set against specific targets and refer to intended outcomes including pupils' achievements and improvements in the classroom.

Raise online

Scrutiny of this data published in October, along with the Inspection Dashboard, feeds into the self evaluation process and development planning. All outcomes are shared with all stakeholders.

Numbers on roll

Numbers on roll for Lodge Farm are 337.

Attendance

Attendance figures have improved year on year.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy 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 Accounting Policies.

Financial review

a. Review of financial performance

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE and these are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the academy's accounting policies.

During the year ended 31 August 2016, total expenditure (before depreciation and movements on the pension reserve) of £3,004,432 was covered by recurrent grant funding from the DfE, together with other incoming resources of £3,541,718. The excess of income over expenditure before depreciation, transfers and pension reserve movements for the year was £537,286.

At 31 August 2016, the net book value of fixed assets was £3,118,200 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme) which is set out in Note 22 to the financial statements, represents a significant potential liability. However, as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Key financial policies adopted or reviewed during the period include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, senior leaders, budgets holders and other staff, as well as delegated authority for spending.

b. Principal risks and uncertainties

The principal risks facing the Academy are as follows:

- damage to Academy building, e.g. flooding/fire
- late payment of grant funding impacting on cash flow
- long-term illness of Head Teacher or key personnel
- available school places cannot meet demand
- loss of teaching staff to higher paid posts

c. Financial risk management objectives and policies

The Academy is developing a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Governors and include the financial risks to the Academy. The register and plan will be formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finance, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy has an adequate intake of pupils, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at the Finance, General Purposes, Site, Personnel and Audit meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known anticipated commitments.

At the period end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

d. Reserves policy

The Governors review the reserve levels of the Academy termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

At 31 August 2016, the Academy had free reserves of £639,328 (2015 - £177,471), fixed asset reserves of £3,118,200 (2015 - £1,574,950) which can only be realised by disposing of tangible fixed assets, and a pension reserve in deficit of £2,123,000 (2015 - £641,000).

Northwood Park Educational Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2016

Plans for future periods

a. Future developments

Northwood Park Educational Trust is a growing Trust, currently consisting of two Primary schools. It is the Trust's intention to grow by supporting underperforming schools following the first year success with sponsorship of Lodge Farm Primary School.

The Trust was awarded Sponsor Capacity funding in 2015 – 16, which recognises the need for growth in Multi Academy Trusts who have achieved sponsor status. This funding has been used to strengthen the underpinning management team across the Trust, particularly relating to financial obligations.

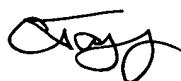
Each school has a school improvement plan, which clearly outlines objectives and priorities. The Leadership Team and Trustees continually measure performance, ensuring high standards at all times.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

This report was approved by order of the Board of Trustees as the company directors, on 15/12/16 and signed on its behalf by:



C Tagg
Chair of Governors

Northwood Park Educational Trust
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Northwood Park Educational 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 Executive Head Teacher, 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 Park Educational 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 Multi Academy Trust Board of Trustees has formally met 2 times since 1 April 2016. Attendance during the year at meetings of the Multi Academy Trust Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Tagg, Chair	2	2
C Nightingale, Vice Chair	1	2
G Morris	2	2
G Bladon (appointed 1 April 2016)	2	2
G Draycott (appointed 1 April 2016)	2	2
M McManus (appointed 1 April 2016)	2	2
C Pook (appointed 1 April 2016)	2	2

Prior to the conversion from standalone academy to Multi Academy Trust on 1 April 2016, Trust Members carried out a skills audit to assess gaps in Trustee and Governor knowledge. As a result of the skills audit, existing Trustees were allocated roles on either the Board of Trustees or the Local Governing Body. New Trustees were appointed to ensure that any skills gaps identified during the audit were filled. Regular training and skills updates are available to all Trustees and Governors.

Attendance at the Northwood Park Primary School governing body meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Adcock	2	3
J Addinell	2	3
G Bladen	3	3
M Faulkner	3	3
D Hardaker	2	3
I Harris	3	3
M McManus	1	3
G Morris	3	3
C Nightingale	2	3
C Pook	3	3
C Tagg	3	3
A Tagg	3	3
E Westwood	2	3
T Keyworth	2	2

Northwood Park Educational Trust
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Governance Statement (continued)

The Finance, General Purposes, Site Personnel and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to be responsible for budget monitoring, strategic health and safety, staffing matters and issues around the building.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
I Harris	3	3
C Nightingale	3	3
C Tagg	3	3
E Westwood	1	2
S Adcock	1	2
G Morris	3	3
C Pook	2	2
A Tagg	3	3

Review of Value for money

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

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

During the last financial year, Northwood Park Educational Trust has continued to take steps to ensure that children receive the best education whilst achieving best value with the funding available.

Using the School Development Plans, the Trust has ensured that there is a continued focus on key areas which has included ensuring the academies successfully work to the curriculum.

The academies have continued to improve on results across both schools in all areas. A review of the organisational structure is conducted annually, and reviewed throughout the year to ensure that our resources are used effectively. A full budget review is conducted every half term.

Income is generated from parents for school trips, dinners, breakfast club and music exams, and ParentPay was implemented in January 2015 to ensure that the collection of this income was robust. The use of cashless systems and procedures was extended to Lodge Farm Primary School in April 2016.

Northwood Park Educational Trust has robust financial procedures in place and staff are fully trained and competent in the processes, which are duplicated in both academies. The academies have successfully implemented free school meals for all Key Stage 1 and Foundation Stage children and the kitchen now provides over 350 nutritional meals a day. The Trust has produced a detailed financial analysis of how the pupil premium funding was spent and the impact of the funding for individual pupils.

The Trust has internal controls in place to ensure strict financial procedures are followed. A Responsible Officer is appointed to make independent checks. The management receives regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste. Bank balances are carefully monitored.

The Trust purchases a commercial insurance package and also a staff absence insurance to ensure it has adequate cover to manage risks.

The Trust regularly applies for suitable additional funding.

There is a constant desire within the trust to improve through better systems that lead to better outcomes for

Governance Statement (continued)

pupils and achieving best value is key to our success.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northwood Park Educational Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the 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 S4S , to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the reviewer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Governance Statement (continued)

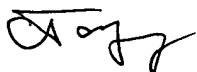
Review of Effectiveness

As Accounting Officer, the Executive Head Teacher 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the and 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 15/12/16 and signed on their behalf, by:



C Tagg
Chair of Trustees



G Morris
Accounting Officer

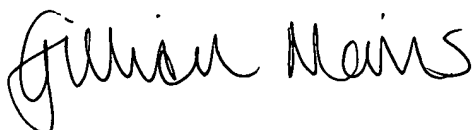
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Northwood Park Educational Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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 EFA.



G Morris
Accounting Officer

15/12/16

Northwood Park Educational Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2016

The Trustees (who act as governors of Northwood Park Educational Trust and 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 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:

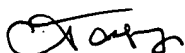
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 15/12/16 and signed on its behalf by:



C Tagg
Chair of Governors

Northwood Park Educational Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Northwood Park Educational Trust

We have audited the financial statements of Northwood Park Educational Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

Northwood Park Educational Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Northwood Park Educational Trust

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Julian Townsend ACA FCCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

Date: 15/12/16

Northwood Park Educational Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Northwood Park Educational Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 31 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northwood Park Educational Trust during the year 1 September 2015 to 31 August 2016 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 Park Educational Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Northwood Park Educational Trust and the EFA 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 Park Educational Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Northwood Park Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Northwood Park Educational Trust's funding agreement with the Secretary of State for Education dated 31 March 2016, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

Date: 15/12/16

Northwood Park Educational Trust
(A company limited by guarantee)

Statement of financial activities
(Incorporating income and expenditure account)
For the year ended 31 August 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations & capital grants:						
Transfer of assets on conversion	2	-	(712,000)	1,527,732	815,732	977,741
Other donations and capital grants	2	23,012	-	9,300	32,312	4,972
Charitable activities:	3					
Funding for Academy's educational operations		94,829	3,399,883	-	3,494,712	1,641,257
Other trading activities	4	23,361	-	-	23,361	18,646
Investments	5	633	-	-	633	240
Total income		141,835	2,687,883	1,537,032	4,366,750	2,642,856
Expenditure on:						
Raising funds	7	46,983	-	-	46,983	1,155
Charitable activities		7,782	2,974,667	69,211	3,051,660	1,532,280
Total expenditure	6	54,765	2,974,667	69,211	3,098,643	1,533,435
Net income / (expenditure) before transfers		87,070	(286,784)	1,467,821	1,268,107	1,109,421
Transfers between Funds	17	-	(75,429)	75,429	-	-
Net income / (expenditure) before other recognised gains and losses		87,070	(362,213)	1,543,250	1,268,107	1,109,421
Actuarial (losses)/gains on defined benefit pension schemes	14	-	(745,000)	-	(745,000)	2,000
Net movement in funds		87,070	(1,107,213)	1,543,250	523,107	1,111,421
Reconciliation of funds:						
Total funds brought forward		71,303	(534,832)	1,574,950	1,111,421	-
Total funds carried forward		158,373	(1,642,045)	3,118,200	1,634,528	1,111,421

The notes on pages 25 to 49 form part of these financial statements.

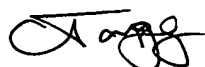
Northwood Park Educational Trust
(A company limited by guarantee)
Registered number: 09341839

Balance sheet
As at 31 August 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	14		3,118,200		1,553,901
Current assets					
Debtors	15	175,511		88,984	
Cash at bank and in hand		740,635		532,048	
		<u>916,146</u>		<u>621,032</u>	
Creditors: amounts falling due within one year	16	<u>(276,818)</u>		<u>(422,512)</u>	
Net current assets			<u>639,328</u>		<u>198,520</u>
Total assets less current liabilities			<u>3,757,528</u>		<u>1,752,421</u>
Defined benefit pension scheme liability	22		<u>(2,123,000)</u>		<u>(641,000)</u>
Net assets including pension scheme liabilities			<u><u>1,634,528</u></u>		<u><u>1,111,421</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	480,955		106,168	
Pension reserve	17	(2,123,000)		(641,000)	
Restricted fixed asset funds	17	<u>3,118,200</u>		<u>1,574,950</u>	
Total restricted income funds			<u>1,476,155</u>		<u>1,040,118</u>
Unrestricted income funds	17		<u>158,373</u>		<u>71,303</u>
Total funds			<u><u>1,634,528</u></u>		<u><u>1,111,421</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

15/12/16



----- **C Tagg**
Chair of Governors

The notes on pages 25 to 49 form part of these financial statements.

Northwood Park Educational Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2016

		31 August 2016 £	Period ended 31 August 2015 £
	Note		
Cash flows from operating activities			
Net cash provided by operating activities	19	304,432	501,837
Cash flows from investing activities:			
Interest receivable		633	240
Purchase of tangible fixed assets		(105,778)	(37,989)
Capital grants from DfE/EFA and other capital income		9,300	3,795
Cash transferred on conversion to an academy trust		-	64,165
Net cash (used in)/provided by investing activities		(95,845)	30,211
Change in cash and cash equivalents in the year		208,587	532,048
Cash and cash equivalents brought forward		532,048	-
Cash and cash equivalents carried forward	20	740,635	532,048

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Northwood Park Educational Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Northwood Park Educational Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Northwood Park Educational Trust for the period ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

1.2 Going concern

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

1. Accounting policies (continued)

1.3 Income

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

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

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

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

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line
Long-term leasehold land	-	over 125 year lease term
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

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

1.6 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.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 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.

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

1.12 Fund accounting

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

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

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

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

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the academy 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 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 22, 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.

1.14 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involves the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

Northwood Park Primary School joined the multi academy trust in the previous financial year. Lodge Farm Junior Mixed and Infant School joined in the current financial year, and was renamed Lodge Farm Primary School.

The assets and liabilities transferred on conversion from Lodge Farm Junior Mixed and Infant School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 21.

1. Accounting policies (continued)

1.15 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.

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 22, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Transfer of assets on conversion	-	(712,000)	1,527,732	815,732	977,741
Donations	13,031	-	-	13,031	1,167
Educational visits	9,981	-	-	9,981	10
Capital grants	-	-	9,300	9,300	3,795
Subtotal	23,012	-	9,300	32,312	4,972
Total donations and capital grants	23,012	(712,000)	1,537,032	848,044	982,713

In 2015, of the total income from donations and capital grants, £48,078 was to unrestricted funds and £934,635 was to restricted funds

Northwood Park Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	2,672,451	2,672,451	1,320,247
Start Up Grants	-	70,000	70,000	25,000
Pupil Premium	-	350,175	350,175	178,278
Universal Infant Free School Meals Grant	-	64,839	64,839	20,419
PE Grant	-	13,876	13,876	4,102
Rates relief	-	3,721	3,721	1,102
Baseline funding	-	342	342	-
	-	3,175,404	3,175,404	1,549,148
Other government grants				
Special needs income	-	2,903	2,903	6,683
Primary expansion funding	-	125,102	125,102	66,792
Pupil premium	-	14,902	14,902	-
MAT pool funding	-	29,977	29,977	-
Early years funding	-	19,695	19,695	-
Other funding	-	1,690	1,690	-
	-	194,269	194,269	73,475
Other funding				
Examination fees	733	-	733	-
Catering income	-	23,210	23,210	1,441
Insurance claims	33,905	-	33,905	5,628
Teacher training	-	7,000	7,000	-
School support income	52,420	-	52,420	-
Extended school activities	7,771	-	7,771	11,565
	94,829	30,210	125,039	18,634
	94,829	3,399,883	3,494,712	1,641,257

In 2015, of the total income from charitable activities, £5,628 was to unrestricted funds and £1,635,630 was to restricted funds.

Northwood Park Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

4. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Music income	1,086	-	1,086	150
General sales income	12,986	-	12,986	8,236
Fundraising activities	9,074	-	9,074	10,260
Rental income	215	-	215	-
	<u>23,361</u>	<u>-</u>	<u>23,361</u>	<u>18,646</u>

In 2015, of the total income from other trading activities, £18,646 was to unrestricted funds and £ NIL was to restricted funds.

5. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	633	-	633	240
	<u>633</u>	<u>-</u>	<u>633</u>	<u>240</u>

In 2015, of the total investment income, £ 240 was to unrestricted funds.

Northwood Park Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

6. Expenditure

	Staff costs	Premises	Other costs	Total	Total
	2016	2016	2016	2016	2015
	£	£	£	£	£
Expenditure on raising funds	-	-	46,983	46,983	1,155
Activities:					
Direct costs	1,878,921	40,483	252,618	2,172,022	1,118,356
Support costs	335,513	167,054	377,071	879,638	413,924
	<u>2,214,434</u>	<u>207,537</u>	<u>676,672</u>	<u>3,098,643</u>	<u>1,533,435</u>

In 2016, of the total expenditure, £54,765 (2015 - £1,289) was to unrestricted funds and £3,043,878 (2015 - £1,532,146) was to restricted funds.

7. Raising funds expenditure

	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	2016	2016	2016	2015
	£	£	£	£
Educational visits costs	45,698	-	45,698	993
Cost of goods for resale	1,285	-	1,285	162
	<u>46,983</u>	<u>-</u>	<u>46,983</u>	<u>1,155</u>

In 2015, of the total voluntary income, £ NIL was to unrestricted funds and £1,155 was to restricted funds.

Northwood Park Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

8. Charitable activities

	Total funds 2016 £	Total funds 2015 £
Direct costs		
Wages and salaries	1,550,008	825,653
National insurance	122,686	48,977
Pension cost	202,227	109,928
Depreciation	69,211	27,664
LGPS finance costs	35,000	16,000
Educational supplies	95,815	16,564
Staff development	17,585	15,709
Technology costs	2,936	12,021
Educational consultancy	36,122	25,745
Other direct costs	40,432	20,095
	<u>2,172,022</u>	<u>1,118,356</u>
Support costs		
Wages and salaries	241,020	132,150
National insurance	14,264	5,108
Pension cost	80,229	21,096
Technology costs	26,631	10,275
Professional and consultancy services	95,612	69,373
Catering costs	194,305	50,149
Maintenance	23,835	7,015
Cleaning	16,741	8,140
Rates	3,110	1,103
Water rates	10,193	5,703
Energy	49,545	36,704
Insurance	63,630	23,592
Motor and travel costs	5,739	4,901
Postage, stationery, telephone	25,714	13,316
Governance costs	29,070	25,299
	<u>879,638</u>	<u>413,924</u>
	<u><u>3,051,660</u></u>	<u><u>1,532,280</u></u>

Northwood Park Educational Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

9. Net incoming resources/(resources expended)

This is stated after charging:

	31 August 2016 £	Period ended 31 August 2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	69,211	27,664
Auditors' remuneration	7,250	6,500
Auditors' remuneration - non-audit	1,875	2,811
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Northwood Park Educational Trust
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Notes to the financial statements
For the year ended 31 August 2016

10. Staff costs

a. Staff costs

Staff costs were as follows:

	31 August 2016 £	Period ended 31 August 2015 £
Wages and salaries	1,791,028	957,803
Social security costs	136,950	54,085
Operating costs of defined benefit pension schemes	282,456	131,024
	2,210,434	1,142,912
Supply teacher costs	4,000	7,983
	2,214,434	1,150,895

b. Staff numbers

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

	31 August 2016 No.	Period ended 31 August 2015 No.
Teachers	42	27
Teaching assistants	36	23
Administration and clerical	5	3
Management	2	2
Site staff	15	12
Lunchtime supervisors	30	19
	130	86

c. Higher paid staff

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

	31 August 2016 No.	Period ended 31 August 2015 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	1

d. 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) received by key management personnel for their services to the academy trust was £552,021 (2015 - £323,622).

11. Central services

No central services were provided by the trust to its academies during the year and no central charges arose.

12. Trustees' remuneration and expenses

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

		31 August	Period ended
		2016	31 August
		£	2015
			(8 months)
			£
G Morris	Remuneration	75,000-80,000	50,000-55,000
	Pension contributions paid	10,000-15,000	5,000-10,000
M Price	Remuneration	60,000-65,000	35,000-40,000
	Pension contributions paid	10,000-15,000	5,000-10,000
A Tagg (Resigned 31 March 2016)	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
T Keyworth (Resigned 31 March 2016)	Remuneration	5,000-10,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
G Draycott (Appointed 1 April 2016)	Remuneration	20,000-25,000	
	Pension contributions paid	0-5,000	

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £28 for one Trustee).

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was included in total insurance cost of £34,037 (2015 - £23,592).

Notes to the financial statements
For the year ended 31 August 2016

14. Tangible fixed assets

	Long-term leasehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2015	1,499,150	-	40,406	42,009	1,581,565
Additions	-	61,874	14,352	29,552	105,778
Transferred on conversion	1,466,360	-	54,360	7,012	1,527,732
At 31 August 2016	2,965,510	61,874	109,118	78,573	3,215,075
Depreciation					
At 1 September 2015	19,041	-	2,380	6,243	27,664
Charge for the year	40,483	-	14,360	14,368	69,211
At 31 August 2016	59,524	-	16,740	20,611	96,875
Net book value					
At 31 August 2016	2,905,986	61,874	92,378	57,962	3,118,200
At 31 August 2015	1,480,109	-	38,026	35,766	1,553,901

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15. Debtors

	2016 £	2015 £
Trade debtors	3,000	-
VAT recoverable	17,921	8,812
Other debtors	13,730	-
Prepayments and accrued income	140,860	80,172
	<u>175,511</u>	<u>88,984</u>

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	6,268	10,194
Other taxation and social security	-	6,389
Other creditors	-	214,799
Accruals and deferred income	270,550	191,130
	<u>276,818</u>	<u>422,512</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	51,022	-
Resources deferred during the year	92,660	51,022
Amounts released from previous years	(51,022)	-
Deferred income at 31 August 2016	<u>92,660</u>	<u>51,022</u>

At the balance sheet date the academy trust was holding Universal Infant Free School Meals funding and devolved capital funding received in advance for the autumn 2016, a DWP grant towards a finance manager position which started in September 2016, and school trip income received in advance for trips occurring in the 2016/17 academic year.

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Notes to the financial statements
For the year ended 31 August 2016

17. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	71,303	141,835	(54,765)	-	-	158,373
Restricted funds						
General Annual Grant (GAG)	102,812	2,672,451	(2,112,623)	(181,685)	-	480,955
Other DfE / EFA Grants	-	432,953	(368,114)	(64,839)	-	-
Other Government Grants	-	194,269	(194,269)	-	-	-
Start Up Grant	3,356	70,000	(73,356)	-	-	-
Catering	-	23,210	(194,305)	171,095	-	-
Other income	-	7,000	(7,000)	-	-	-
Pension reserve	(641,000)	(712,000)	(25,000)	-	(745,000)	(2,123,000)
	(534,832)	2,687,883	(2,974,667)	(75,429)	(745,000)	(1,642,045)
Restricted fixed asset funds						
Capital surplus transferred on conversion	17,254	-	-	-	-	17,254
Assets transferred on conversion	1,517,463	1,527,732	(30,352)	-	-	3,014,843
DfE / EFA Capital Grants	3,795	9,300	(1,860)	-	-	11,235
Assets purchased from GAG	36,438	-	(36,999)	75,429	-	74,868
	1,574,950	1,537,032	(69,211)	75,429	-	3,118,200
Total restricted funds	1,040,118	4,224,915	(3,043,878)	-	(745,000)	1,476,155
Total of funds	1,111,421	4,366,750	(3,098,643)	-	(745,000)	1,634,528

17. Statement of funds (continued)

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

Restricted general funds

This fund represents grants and other income received for the academy's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants received from the DfE and EFA to carry out works of a capital nature.

Transfers between funds

Transfers between funds relate to fixed assets purchased from GAG, and Universal Free School Meals Grants and GAG money used to assist in funding catering.

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Northwood Park Primary School	498,110	177,471
Lodge Farm Primary School	141,218	-
Pension reserve	(2,123,000)	(641,000)
Total before fixed asset fund and pension reserve	(1,483,672)	(463,529)
Restricted fixed asset fund	3,118,200	1,574,950
Pension reserve		
Total	1,634,528	1,111,421

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Notes to the financial statements
For the year ended 31 August 2016

17. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation and LGPS adjustments £	Total 2016 £	Total 2015 £
Northwood Park Primary School	1,538,257	270,900	195,533	460,033	2,464,723	1,505,771
Lodge Farm Primary School	346,664	64,613	44,340	84,092	539,709	-
	<u>1,884,921</u>	<u>335,513</u>	<u>239,873</u>	<u>544,125</u>	<u>3,004,432</u>	<u>1,505,771</u>

18. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	3,118,200	3,118,200	1,553,900
Current assets	158,373	757,773	-	916,146	621,033
Creditors due within one year	-	(276,818)	-	(276,818)	(422,512)
Provisions for liabilities and charges	-	(2,123,000)	-	(2,123,000)	(641,000)
	<u>158,373</u>	<u>(1,642,045)</u>	<u>3,118,200</u>	<u>1,634,528</u>	<u>1,111,421</u>

Notes to the financial statements
For the year ended 31 August 2016

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

	31 August 2016 £	Period ended 31 August 2015 £
Net income for the year (as per Statement of financial activities)	1,268,107	1,109,421
Adjustment for:		
Depreciation charges	69,211	27,664
Interest receivable	(633)	(240)
Increase in debtors	(86,527)	(88,984)
(Decrease)/increase in creditors	(145,694)	422,512
Capital grants from DfE/EFA and other capital income	(9,300)	(3,795)
Defined benefit pension scheme obligation inherited on conversion	712,000	630,000
Defined benefit pension scheme adjustments	25,000	13,000
Surplus transferred upon conversion	-	(64,165)
Fixed assets transferred from the local authority on conversion	(1,527,732)	(1,543,576)
Net cash provided by operating activities	304,432	501,837

20. Analysis of cash and cash equivalents

	31 August 2016 £	Period ended 31 August 2015 £
Cash at bank in hand	740,635	532,048
Total	740,635	532,048

21. Conversion to an academy trust

On 1 April 2016 Lodge Farm Junior Mixed and Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Northwood Park Educational Trust from Wolverhampton City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value, where possible, and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	1,466,360	1,466,360
- Other tangible fixed assets	-	-	61,372	61,372
LGPS pension deficit	-	(712,000)	-	(712,000)
Net assets/(liabilities)	-	(712,000)	1,527,732	815,732

22. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wolverhampton City 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 2013.

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £148,000 (2015 - £76,000).

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

22. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £177,000 (2015 - £87,000), of which employer's contributions totalled £144,000 (2015 - £71,000) and employees' contributions totalled £33,000 (2015 - £16,000). The agreed contribution rates for future years are 15.3% for employers and 5.5% - 9.9% 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:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.75 %	4.15 %
Pension increases	2.00 %	2.40 %

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

	2016	2015
Retiring today		
Males	23.1 years	23.0 years
Females	25.8 years	25.6 years
Retiring in 20 years		
Males	25.3 years	25.2 years
Females	28.1 years	28.0 years

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22. Pension commitments (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	255,000	121,000
Government bonds	30,000	15,000
Other bonds	37,000	20,000
Property	34,000	17,000
Cash/liquidity	28,000	10,000
Other	46,000	19,000
Total market value of assets	430,000	202,000

The actual return on scheme assets was £55,000 (2015 - £5,000).

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

	31 August 2016 £	Period ended 31 August 2015 £
Current service cost (net of employee contributions)	(134,000)	(68,000)
Net interest cost	(35,000)	(16,000)
Deficit inherited on conversion	(712,000)	(630,000)
Total	(881,000)	(714,000)
Actual return on scheme assets	55,000	5,000

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

	31 August 2016 £	Period ended 31 August 2015 £
Opening defined benefit obligation	843,000	-
Current service cost	134,000	68,000
Interest cost	46,000	20,000
Contributions by employees	33,000	16,000
Liabilities inherited on conversion	712,000	740,000
Actuarial losses/(gains)	789,000	(1,000)
Interest cost	-	-
Benefits paid	(4,000)	-
Closing defined benefit obligation	2,553,000	843,000

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22. Pension commitments (continued)

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

	31 August 2016 £	Period ended 31 August 2015 £
Opening fair value of scheme assets	202,000	-
Return on plan assets (excluding net interest on the net defined pension liability)	44,000	1,000
Interest income	11,000	4,000
Contributions by employees	33,000	16,000
Contributions by employer	144,000	71,000
Assets inherited on conversion	-	110,000
Benefits paid	(4,000)	-
	<u>430,000</u>	<u>202,000</u>
Closing fair value of scheme assets	<u>430,000</u>	<u>202,000</u>

23. Operating lease commitments

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	16,922	16,922
Between 1 and 5 years	42,000	58,921
Total	<u>58,922</u>	<u>75,843</u>

24. 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 12.

25. 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.

26. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The last financial statements prepared under previous UK GAAP were for the period ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 4 December 2014.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.