

Company Registration Number: 07553531 (England and Wales)

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

WEDNESDAY



A6LNDK4X

A27

20/12/2017

#335

COMPANIES HOUSE

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 11
Governance Statement	12 - 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditors' Report on the Financial Statements	18 - 20
Independent Reporting Accountant's Assurance Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 49

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	C Gorse M Kelly S Scott S Strickland R Thomas
Trustees	M Kelly, (Chair) I Curtis, (Vice Chair) B Ashby A Bayston, (CEO and Accounting Officer) H Cutler ¹ H Flynn (appointed 7 November 2016) S Phillips ¹ J Plews, (Deputy CEO) ¹ Member of Audit Committee
Company secretary	S Cocker
Executive leadership team	A Bayston, Chief Executive Officer J Plews, Deputy Chief Executive Officer J Barker, Finance Director S Cocker, Operations Director
Company name	Northern Star Academies Trust
Principal and registered office	77 Gargrave Road Skipton North Yorkshire BD23 1QN
Company registered number	07553531
Independent auditors	Clive Owen LLP Chartered Accountants and Statutory Auditors 140 Coniscliffe Road Darlington Co Durham DL3 7RT
Bankers	Lloyds Bank plc 29 Brook Street Ilkley LS29 8AE
Solicitors	Legal & Democratic Services North Yorkshire County Council County Hall Northallerton DL7 8AD

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

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

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

In the October 2017 school census the trust has 1,875 pupils on roll.

The trust is expecting two new primary schools to join early in 2018 and continues to actively discuss new membership with further secondary and primary schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members' liability

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

Trustees' indemnities

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

Principal Activities

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

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Method of recruitment and appointment or election of Trustees

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

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

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

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

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

Policies and procedures adopted for the induction and training of Trustees

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

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

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

Organisational structure

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

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

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure (continued)

During the school year the Executive Team comprised: the Chief Executive Officer (also the Accounting Officer of the trust), Deputy Chief Executive Officer, Principal Finance Officer and Operations Director (also the Company Secretary). This team runs the trust at an executive level implementing the policies laid down by the Board of Trustees and reporting back to them. Decision making by the team is determined by the trust's Scheme of Delegation. Effective from 1 September 2017 the Executive team comprises a full time Chief Executive Officer, Finance Director and Operations Director.

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

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

Arrangements for setting pay and remuneration of key management personnel

The setting of pay and remuneration for all management operates within the framework of the trust's scheme of delegation and pay policies. Specifically no Trustee receives pay and remuneration for their role as Trustee with the exception of the Chief Executive Officer and Deputy Chief Executive Officer who are employees of the trust. Their pay and remuneration is set based on the size, responsibility and nature of the role and the role holder's performance, and is reviewed annually by Trustees.

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

Related Parties and other Connected Charities and Organisations

The trust has a 50% stake alongside Feversham College in a jointly owned subsidiary, Northern Lights Teaching School Alliance Limited, limited by guarantee with no share capital, company number 08133729 (incorporated 6 July 2012), established to deliver teaching school activities under licence from National College. It currently collaborates with a wide range of schools across North Yorkshire, West Yorkshire and Bradford.

Northern Lights Teaching School Alliance Limited traded during the year ended 31 August 2017 and the transactions between this entity and the trust are included within these financial statements.

The trust also operates a School Centred Initial Teacher Training partnership (Northern Lights SCITT), providing school based teacher training, in partnership with Leeds Trinity University. The financial results of the SCITT are included in these financial statements.

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

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Related Parties and other Connected Charities and Organisations (continued)

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

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

OBJECTIVES AND ACTIVITIES

Objects and aims

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

In addition:

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

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

- Providing learning of the highest quality which will allow all our pupils and students to achieve their full potential and improved life chances
- Maintaining our commitment to excellence in all phases and subjects of provision while maximising the potential of each academy's specialism and strengths (currently Skipton Girls High School: Science, Technology, Engineering and Maths (STEM), Harrogate High School: Sports, New Park and Hookstone Chase: primary phase provision)
- Challenging stereotypes and contributing to social inclusion by raising standards in all areas of our work
- Sharing innovative and leading edge practice in teaching and learning and further developing system-leadership locally, regionally and nationally through collaboration and partnership working
- Ensuring appropriate levels of recruitment to early years, primary and secondary phase provision
- Raising and sustaining the post-16 participation rate in STEM and other areas of specialism across the trust
- Building on active partnerships with business, industry and higher education partners to provide clear leadership in the field of engineering as a professional career for young women
- Supporting the wider community by developing academy sites, extending access to provide a recreational resource for other local schools and community groups
- To provide best value for money for the funds expended
- To comply with all appropriate statutory, regulatory and curriculum requirements
- To conduct the trust's business in accordance with the highest standards of integrity, probity and openness

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Strategies and Activities

The Executive leadership of Northern Star Academies Trust are focusing on the following areas of school improvement in the academic year 2017-2018:

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

Equal Opportunities Policy

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

Public benefit

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

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

Disabled Persons

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

Achievements and Performance

Skipton Girls' High School Academy

- 2017 GCSE Achievement - Progress 8 score: 0.86 (Well above average) Attainment 8 score: 71.9 (Highest performing secondary school in North Yorkshire)
Very strong A Level academic achievement in 2017
- SGHS is a founder member of a Cohort 2 Teaching School Alliance (Northern Lights Teaching School Alliance), designated in 2012.
- Highly successful second year of the School Centred Initial Teacher Training (SCITT) programme with all trainees awarded good or outstanding – first part of Ofsted inspection was successful and currently awaiting stage 2.
- Science, Technology, Engineering and Maths (STEM) specialism
- Converted to a single academy trust in 2011 and then joined Northern Star Academies Trust as co-founder school in April 2015
- Most recent Ofsted grade: Outstanding, 2008 & 2011

Harrogate High School Academy

- 2017 GCSE Achievement – Progress 8 score -0.09 (Average) Attainment 8 score 38.8
- Strong Post 16 vocational achievement in 2017
- Entire new school rebuild on same site including a large sports centre is completed and the school successfully moved in February 2017.
- Converted to a single academy trust in June 2012 then joined Northern Star Academies Trust as co-founder school in April 2015
- Most recent Ofsted grade: Good with Outstanding Leadership and Management, 2013

New Park Primary School Academy

- From December 2015 New Park Primary Academy entered a new phase of development and embarked on structural change to ensure the continued development of the school as part of Northern Star Academies Trust.
- New Park joined Northern Star Academies Trust as a converter academy 1 December, 2015.
- 2017 KS2 Outcomes demonstrated an improvement in Progress.
- September 2017 a new Headteacher and an IEB have been appointed to accelerate rapid school improvements.

Hookstone Chase Primary School

- Hookstone Chase Primary School converted to join Northern Star Academies Trust in June 2016.
- 2017 KS2 Outcomes for Hookstone were good and reflected robust and consistent Senior leadership and management
- The school benefits from an EMS Provision for Speech and Language Development.

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Key Performance Indicators

The numbers of pupils on roll in trust academies at the time of the October 2016 census were as follows (2015/16 figures are shown for comparison):

Academy	2016/17	2015/16
Year 7-11		
Harrogate High School	442	407
Skipton Girls High School	581	573
Year 12-13		
Harrogate High School	127	152
Skipton Girls High School	229	240
Early Years		
New Park Primary Academy	10	10
Hookstone Chase Primary School	50	45
Primary		
New Park Primary Academy	178	167
Hookstone Chase Primary School	219	214

The headline examination results for the year ending 31 August 2017 are summarised as follows:

Academy	2016/17	2015/16
Grade 4 or above in English & Maths GCSEs		
Harrogate High School	53%	N/A
Skipton Girls High School	99%	N/A
GCSE % 5+ A*-C including English & Maths		
Harrogate High School	N/A	52%
Skipton Girls High School	N/A	98%
A-level % A*-E		
Harrogate High School	97%	99%
Skipton Girls High School	100%	100%
SATS (combined)		
New Park Primary Academy	32%	31%
Hookstone Chase Primary School	56%	62%

Attendance for the year ending 31 August 2017:

Academy	Attendance levels %	Unauthorised Absence %
Harrogate High School	93.40%	1.10%
Skipton Girls High School	95.60%	0.24%
New Park Primary Academy	96.10%	0.12%
Hookstone Chase Primary School	96.35%	0.71%

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

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Going concern

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

FINANCIAL REVIEW

Overview

These financial statements reflect a 12 month accounting period from 1 September 2016 to 31 August 2017. The majority of income received is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent General Annual Grant (GAG) funding, the use of which is restricted for the day to day running of the trust. The trust also receives grants for fixed assets from the DfE/ESFA. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected life of the assets concerned.

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

During the period the trust received £13,091,000 of income, of which £8,187,000 was GAG funding. Other grants, income and transfers amounted to £4,904,000.

Expenditure for the period totalled £10,851,000 (excluding depreciation), including £8,186,000 of staff related costs supporting the day to day running of the trust.

In aggregate, during the period, total income over total expenditure led to a surplus position of £2,527,000, excluding depreciation, movements in the pension fund and assets transferred on conversion.

As explained in note 26 to the financial statements, this aggregate position includes a donation of £15,000 in relation to the net surplus from activities of Northern Lights Teaching School Alliance Limited to be held as a restricted fund.

The Local Government Pension Scheme (LGPS) liability stands at £4,216,000 as at 31 August 2017, a decrease from £5,023,000 in the prior year. The provisions of Financial Reporting Standards (FRS) 102 have been applied in full in respect of the LGPS pensions scheme. This is detailed in note 24 to the financial statements.

As at 31 August 2017 the net book value of fixed assets after depreciation is £20,776,000 as shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the trust.

The trust held fund balances at 31 August 2017 of £17,765,000 comprising £17,305,000 of restricted funds and £460,000 of unrestricted funds.

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Principal risks and uncertainties

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

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

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

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

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

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

As a multi-academy trust funded directly by the Department of Education, funding streams are considered to be relatively secure subject to management of pupil numbers, although the Trustees recognise the impact of government policy on overall funding levels which present an external risk for the school to manage.

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

As at 31 August 2017 the LGPS deficit amounted to £4,216,000. It should be noted that the trust has agreed with the pension scheme a contribution plan for the scheme over future years as detailed in note 24 and therefore the deficit is assessed as presenting a low and manageable risk to the trust.

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Reserves Policy

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

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

The Trustees review the reserve policy of the trust annually. As part of its annual business planning the trust runs a sensitivity analysis to ensure the school remains appropriately funded over the medium term.

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

As at 31 August 2017 the trust holds a net surplus of £764,000, comprising of restricted general funds (excluding restricted fixed asset funds and pension reserves) of £304,000 and unrestricted funds of £460,000.

Investment Policy

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

PLANS FOR FUTURE PERIODS

As a recently established multi-academy trust, Northern Star Academies Trust will continue to collaborate with schools within the community and develop further member academies, in order to improve education for children and young people in education from a range of backgrounds. We aim to provide the highest educational opportunities for our pupils as well as providing professional development for all teaching and support staff, so that our academies support pupils in achieving great outcomes and we contribute to the raising of educational standards across the community.

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

Disclosure of information to auditors

In so far as the Trustees are aware:

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

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 8 December 2017 and signed on its behalf by:


M Kelly
Chair of Trustees

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Northern Star Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
M Kelly, (Chair)	5	5
I Curtis, (Vice Chair)	4	5
B Ashby	5	5
A Bayston, (CEO and Accounting Officer)	3	5
H Cutler	5	5
H Flynn	3	4
S Phillips	5	5
J Plews, (Deputy CEO)	5	5

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

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

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

Attendance at meetings in the year was as follows:

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

*an advisor (non-Trustee) member of the audit committee

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Review of Value for Money

As Accounting Officer, the Chief Executive Officer 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:

- Progressing building projects (through tendering) in one secondary and one primary school to deliver an improved school environment with lower maintenance costs, necessary health & safety compliance upgrades and improved safeguarding.
- Representing Harrogate High School and securing its place in the Priority Schools Building Programme which has rebuilt the school over the past two years. The new buildings opened in February 2017 and deliver a significantly improved school environment and materially lower energy and maintenance costs.
- Keeping trust staffing structures under review, including a restructure of the Northern Star Academies Trust Executive team, and ensuring curriculum-led financial planning is used to plan the most efficient deployment of staff across member academies.
- Overseeing the curriculum in the academy schools to ensure it provides a value-for-money education suitable for the differing needs of pupils across the trust.
- Collaboration with Northern Lights Teaching Schools Alliance and SCITT and across the schools in the trust to share delivery and good practice and also to support and learn from other schools outside the trust.
- Overseeing an ongoing programme of market testing, negotiation and collaboration with the local authority and other suppliers to achieve better value for money from traded services and contract provision.
- Tendering a bulk laptop purchase resulting in accessing low cost and high quality equipment.
- Tendering external audit services resulting in the appointment of high quality, good value external auditors for the trust.

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

Stretch and Challenge: Working with all students we provide the appropriate stretch and challenge for our students and in doing so increase the A* and A grades achieved by the students. Care is taken to provide the individual support and guidance necessary to ensure everyone achieves their potential.

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

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

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

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

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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 Northern Star Academies Trust for the year 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 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 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 have considered the need for a specific internal audit function and has appointed Veritau Ltd in order to carry out additional checks and review significant areas of risk as directed.

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

In particular the checks carried out this current period include:

- Testing of payroll and purchase systems
- Testing of controls in relation to account and bank reconciliations
- Testing of budget forecasting and returns

Control issues arose in the following areas:

- Purchase orders not obtained for purchase invoices
- Tender process not followed for major capital works
- Quotation process not followed for PE contract.

These will be resolved during the period 1 September 2017 to 31 August 2018.

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

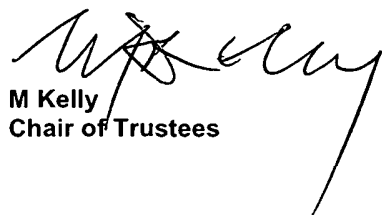
Review of Effectiveness

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

- the work of the internal auditors;
- the work of the external auditor;
- 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 auditors and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2017 and signed on their behalf, by:



M Kelly
Chair of Trustees



J Plews
Accounting Officer

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Northern Star Academies Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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



J Plews
Accounting Officer

Date: 8 December 2017

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Northern Star Academies 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

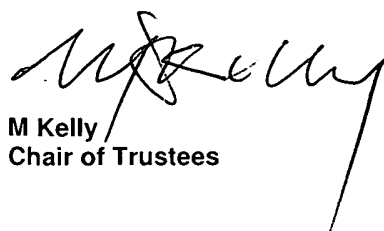
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any 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 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 8 December 2017 and signed on its behalf by:



M Kelly
Chair of Trustees

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Northern Star Academies Trust for the year ended 31 August 2017 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.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the :

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the 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 is not appropriate; or
- the Trustees have not disclosed in the any identified material uncertainties that may cast significant doubt about the academy'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 are authorised for issue.

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the and our Auditor's report thereon. Our opinion on the does not cover the 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 , our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for which the are prepared is consistent with the .
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the academy for the purposes of company law) are responsible for the preparation of the 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 that are free from material misstatement, whether due to fraud or error.

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Auditor's responsibilities for the audit of the financial statements

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

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



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

for and on behalf of

Clive Owen LLP

Chartered Accountants and Statutory Auditors

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT
8 December 2017

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 8 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northern Star Academies Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Northern Star Academies Trust's funding agreement with the Secretary of State for Education dated 1 May 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Approach (continued)

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Clive Owen LLP

Reporting Accountants

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

8 December 2017

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

		Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
	Note					
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion	2	118	(475)	2,347	1,990	2,180
Other donations and capital grants	2	149	-	551	700	804
Charitable activities	3	-	9,318	-	9,318	7,666
Other trading activities	4	1,082	-	-	1,082	654
Investments	5	1	-	-	1	3
Total income		<u>1,350</u>	<u>8,843</u>	<u>2,898</u>	<u>13,091</u>	<u>11,307</u>
Expenditure on:						
Charitable activities		<u>1,275</u>	<u>9,576</u>	<u>6,978</u>	<u>17,829</u>	<u>9,379</u>
Total expenditure	7	<u>1,275</u>	<u>9,576</u>	<u>6,978</u>	<u>17,829</u>	<u>9,379</u>
Net income / (expenditure) before transfers		<u>75</u>	<u>(733)</u>	<u>(4,080)</u>	<u>(4,738)</u>	<u>1,928</u>
Transfers between Funds	17	(22)	(84)	106	-	-
Net income / (expenditure) before other recognised gains and losses		<u>53</u>	<u>(817)</u>	<u>(3,974)</u>	<u>(4,738)</u>	<u>1,928</u>
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,569	-	1,569	(2,153)
Net movement in funds		<u>53</u>	<u>752</u>	<u>(3,974)</u>	<u>(3,169)</u>	<u>(225)</u>
Reconciliation of funds:						
Total funds brought forward		<u>407</u>	<u>(4,664)</u>	<u>25,191</u>	<u>20,934</u>	<u>21,159</u>
Total funds carried forward		<u><u>460</u></u>	<u><u>(3,912)</u></u>	<u><u>21,217</u></u>	<u><u>17,765</u></u>	<u><u>20,934</u></u>

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000	2016 £000
Fixed assets				
Tangible assets	13		20,776	25,183
Current assets				
Stocks	14	4		6
Debtors	15	378		443
Cash at bank and in hand		1,744		1,494
		<u>2,126</u>		<u>1,943</u>
Creditors: amounts falling due within one year	16	<u>(921)</u>		<u>(1,169)</u>
Net current assets			<u>1,205</u>	<u>774</u>
Total assets less current liabilities			<u>21,981</u>	<u>25,957</u>
Defined benefit pension scheme liability	24		<u>(4,216)</u>	<u>(5,023)</u>
Net assets including pension scheme liabilities			<u><u>17,765</u></u>	<u><u>20,934</u></u>
Funds of the academy				
Restricted income funds:				
Restricted income funds	17	304		359
Restricted fixed asset funds	17	21,217		25,191
		<u></u>		<u></u>
Restricted income funds excluding pension liability		21,521		25,550
Pension reserve		<u>(4,216)</u>		<u>(5,023)</u>
Total restricted income funds			<u>17,305</u>	<u>20,527</u>
Unrestricted income funds	17		<u>460</u>	<u>407</u>
Total funds			<u><u>17,765</u></u>	<u><u>20,934</u></u>

The financial statements on pages 23 to 49 were approved by the Trustees, and authorised for issue, on 8 December 2017 and are signed on their behalf, by:


M Kelly
Chair of Trustees

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash used in operating activities	19	(196)	(352)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1	3
Purchase of tangible fixed assets		(224)	(766)
Capital grants from DfE/ESFA		551	403
Capital funding received from sponsors and others		-	103
Net cash provided by/(used in) investing activities		328	(257)
Cash transferred on conversion		118	-
Net cash provided by financing activities		118	-
Change in cash and cash equivalents in the year		250	(609)
Cash and cash equivalents brought forward		1,494	2,103
Cash and cash equivalents carried forward	20	1,744	1,494

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Northern Star Academies Trust constitutes a public benefit as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 receivable

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

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

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold land and buildings -	Over 125 years
Fixtures, fittings and equipment -	33% straight line
Computer hardware -	33% straight line
Motor vehicles -	5 years 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.

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.6 Agency arrangements

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

The academy trust also acts as agent in distributing School Centred Initial Teacher Training (SCITT) bursary funds from the Department for Education. Payments received from DfE and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.

1.7 Liabilities

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

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leased Assets

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

1.9 Stocks

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

1.10 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.11 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 Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 24, 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.

1.13 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved 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.

The assets and liabilities transferred on conversion from local authority 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.

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.14 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 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 and include grants from the Department for Education.

1.15 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 24, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £224,000.

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

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. Income from donations and capital grants

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Transfer from local authority on conversion	118	(475)	2,347	1,990	2,180
Donations	149	-	-	149	401
Capital Grants	-	-	551	551	403
Subtotal	149	-	551	700	804
	267	(475)	2,898	2,690	2,984
<i>Total 2016</i>	(30)	274	2,740	2,984	

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,187	8,187	7,117
Start Up Grant A	-	-	-	52
Standards Fund	-	-	-	32
Pupil Premium	-	326	326	-
Other DfE/ESFA Grants	-	339	339	240
	-	8,852	8,852	7,441
Other government grants				
SEN	-	294	294	-
Other Government Grants	-	172	172	225
	-	466	466	225
	-	9,318	9,318	7,666
<i>Total 2016</i>	-	7,666	7,666	

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. Other trading activities

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Other income	340	-	340	30
Lettings	98	-	98	159
Trips	385	-	385	198
Staff insurance	22	-	22	257
Catering	58	-	58	10
Northern Lights Teaching School	179	-	179	-
	<u>1,082</u>	<u>-</u>	<u>1,082</u>	<u>654</u>
<i>Total 2016</i>	<u>456</u>	<u>198</u>	<u>654</u>	

5. Investment income

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Bank interest	1	-	1	3
	<u>3</u>	<u>-</u>	<u>3</u>	
<i>Total 2016</i>	<u>3</u>	<u>-</u>	<u>3</u>	

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

6. Charitable activities

	Total funds 2017 £000	Total funds 2016 £000
Direct costs - educational operations		
Wages and salaries	5,390	4,494
National insurance	496	409
Pension cost	994	988
Educational supplies	184	197
Examination fees	144	154
Staff development	18	19
Technology costs	75	80
Educational consultancy	119	127
Travel and subsistence	4	4
Other direct costs	81	107
Maintenance of premises and equipment	-	55
	<hr/> 7,505	<hr/> 6,634
Support costs - educational operations		
Wages and salaries	1,018	883
National insurance	71	60
Pension cost	217	183
Depreciation	224	245
Net interest cost on pension scheme	106	99
Technology costs	119	78
Travel and subsistence	6	4
Recruitment and support	32	21
Maintenance of premises and equipment	143	94
Cleaning	310	204
Rent	93	61
Rates	74	49
Energy	214	141
Insurance	84	55
Security	2	1
Transport	3	2
Catering	145	95
Occupancy costs	22	14
Other support costs	7,394	424
Governance	47	32
	<hr/> 10,324	<hr/> 2,745
	<hr/> <hr/> 17,829	<hr/> <hr/> 9,379

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. Expenditure

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Academy's educational operations:					
Direct costs	6,880	-	625	7,505	6,634
Support costs	1,306	1,053	7,965	10,324	2,745
	<u>8,186</u>	<u>1,053</u>	<u>8,590</u>	<u>17,829</u>	<u>9,379</u>
<i>Total 2016</i>	<u>7,017</u>	<u>1,136</u>	<u>1,226</u>	<u>9,379</u>	

In 2017, of the total expenditure, £1,275,000 (2016: £452,000) was to unrestricted funds and £16,554,000 (2016: £8,927,000) was to restricted funds.

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

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

There were no ex-gratia payments in the year

8. Net income/(expenditure)

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets:		
- owned by the charity	224	245
Auditors' remuneration - audit	14	9
Auditors' remuneration - other services	18	12
Operating lease rentals	<u>9</u>	<u>8</u>

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. Staff costs

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	6,278	5,236
Social security costs	567	469
Operating costs of defined benefit pension schemes	1,211	1,171
	<hr/> 8,056	<hr/> 6,876
Apprenticeship levy	3	-
Supply staff costs	117	137
Staff restructuring costs	10	4
	<hr/> 8,186	<hr/> 7,017

Included in operating costs of defined benefit pensions scheme is a charge of £181,000 (2016: £19,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2017 £000	2016 £000
Redundancy payments	<hr/> 10	<hr/> 4

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

	2017 No.	2016 No.
Teachers	112	107
Administrator and support	131	110
Management	21	16
	<hr/> 264	<hr/> 233

Higher paid staff

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	0	2
In the band £90,001 - £100,000	1	0

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £340,000 (2016: £319,000).

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. Central services

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

	2017 £000	2016 £000
Skipton Girls' High School	82	31
Harrogate High School	60	25
New Park Primary School	15	6
Hookstone Chase Primary School	20	-
	<u>177</u>	<u>62</u>
Total		

11. Trustees' remuneration and expenses

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

		2017 £000	2016 £000
A Bayston (CEO):	Remuneration	65-70	80-85
	Pension contributions paid	0-5	5-10
J Plews (Deputy CEO):	Remuneration	90-95	85-90
	Pension contributions paid	15-20	10-15

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL to Trustees).

12. Trustees' and Officers' Insurance

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

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

13. Tangible fixed assets

	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost					
At 1 September 2016	25,983	18	144	46	26,191
Additions	91	-	5	128	224
Disposals	(7,072)	-	-	-	(7,072)
Transferred on conversion	2,347	-	-	-	2,347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	21,349	18	149	174	21,690
Depreciation					
At 1 September 2016	884	11	67	46	1,008
Charge for the year	171	4	40	9	224
On disposals	(318)	-	-	-	(318)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	737	15	107	55	914
Net book value					
At 31 August 2017	<hr/> 20,612 <hr/>	<hr/> 3 <hr/>	<hr/> 42 <hr/>	<hr/> 119 <hr/>	<hr/> 20,776 <hr/>
At 31 August 2016	<hr/> 25,099 <hr/>	<hr/> 7 <hr/>	<hr/> 77 <hr/>	<hr/> - <hr/>	<hr/> 25,183 <hr/>

14. Stocks

	2017 £000	2016 £000
Clothing	-	2
Stationery	4	4
	<hr/>	<hr/>
	4	6
	<hr/>	<hr/>

15. Debtors

	2017 £000	2016 £000
Trade debtors	57	36
VAT repayable	144	79
Other debtors	64	131
Prepayments and accrued income	113	197
	<hr/>	<hr/>
	378	443
	<hr/>	<hr/>

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	388	381
Other taxation and social security	137	132
Other creditors	188	245
Accruals and deferred income	208	411
	<u>921</u>	<u>1,169</u>
	2017 £000	2016 £000
Deferred income		
Deferred income at 1 September 2016	16	-
Resources deferred during the year	84	16
Amounts released from previous years	(16)	-
	<u>84</u>	<u>16</u>
Deferred income at 31 August 2017	<u>84</u>	<u>16</u>

Deferred income includes free school meals, Erasmus project and rates relief funding which relates to the following academic year.

17. Statement of funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
General Fund	407	1,350	(1,275)	(22)	-	460
	<u>407</u>	<u>1,350</u>	<u>(1,275)</u>	<u>(22)</u>	<u>-</u>	<u>460</u>
Restricted funds						
General Annual Grant (GAG)	171	8,187	(8,274)	(84)	-	-
Pupil Premium	-	326	(326)	-	-	-
Other DfE/ESFA grants	61	141	(202)	-	-	-
Other Government grant	-	466	(466)	-	-	-
Growth grant	-	198	-	-	-	198
Hockey sinking fund	106	-	-	-	-	106
Start-up grant	21	-	(21)	-	-	-
Pension reserve	(5,023)	(475)	(287)	-	1,569	(4,216)
	<u>(4,664)</u>	<u>8,843</u>	<u>(9,576)</u>	<u>(84)</u>	<u>1,569</u>	<u>(3,912)</u>

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. Statement of funds (continued)

Restricted fixed asset funds

Assets on conversion	23,164	2,347	(6,910)	26	-	18,627
Devolved Formula Capital	8	46	(6)	-	-	48
Capital assets post conversion	2,019	-	(57)	(26)	-	1,936
Condition Improvement Fund	-	505	-	-	-	505
Capital expenditure from GAG	-	-	(1)	84	-	83
Capital expenditure from unrestricted funds	-	-	(4)	22	-	18
	<u>25,191</u>	<u>2,898</u>	<u>(6,978)</u>	<u>106</u>	<u>-</u>	<u>21,217</u>
Total restricted funds	<u>20,527</u>	<u>11,741</u>	<u>(16,554)</u>	<u>22</u>	<u>1,569</u>	<u>17,305</u>
Total of funds	<u>20,934</u>	<u>13,091</u>	<u>(17,829)</u>	<u>-</u>	<u>1,569</u>	<u>17,765</u>

Statement of funds - prior year

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
Unrestricted funds						
General Fund	939	429	(452)	(509)	-	407
	<u>939</u>	<u>429</u>	<u>(452)</u>	<u>(509)</u>	<u>-</u>	<u>407</u>

Restricted funds

General Annual Grant (GAG)	377	7,117	(7,564)	241	-	171
Start-up grant	-	52	(31)	-	-	21
Pupil premium	-	188	(188)	-	-	-
Other DfE/EFA grants	61	52	(52)	-	-	61
Local Authority grants	-	225	(225)	-	-	-
Other restricted funds	82	528	(504)	-	-	106
Pension reserve	(2,615)	(137)	(118)	-	(2,153)	(5,023)
	<u>(2,095)</u>	<u>8,025</u>	<u>(8,682)</u>	<u>241</u>	<u>(2,153)</u>	<u>(4,664)</u>

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. Statement of funds (continued)

Restricted fixed asset funds

DfE/EFA grants	-	403	-	(395)	-	8
Other capital grants	-	103	-	(103)	-	-
Capitalised assets post conversion	1,305	-	(52)	766	-	2,019
Assets on conversion	21,010	2,347	(193)	-	-	23,164
	<u>22,315</u>	<u>2,853</u>	<u>(245)</u>	<u>268</u>	<u>-</u>	<u>25,191</u>
Total restricted funds	<u>20,220</u>	<u>10,878</u>	<u>(8,927)</u>	<u>509</u>	<u>(2,153)</u>	<u>20,527</u>
Total of funds	<u>21,159</u>	<u>11,307</u>	<u>(9,379)</u>	<u>-</u>	<u>(2,153)</u>	<u>20,934</u>

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

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

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

Other DfE/ESFA grants include amounts for Year 7 catch up, Rates Relief and Residential Support Scheme.

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

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

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 24.

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

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

Transfers were made between restricted fixed assets funds to correct the allocation of depreciation in the prior year of £26,000. In addition £84,000 was transferred from General Annual Grant and £22,000 transferred from general funds to restricted fixed asset fund for the purchase of fixed assets during the year.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Skipton Girls' High School	8	133
Harrogate High School	285	528
New Park Primary School	85	22
Hookstone Chase	138	-
Central services	248	83
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	764	766
Restricted fixed asset fund	21,217	25,191
Pension reserve	(4,216)	(5,023)
	<hr/>	<hr/>
Total	17,765	20,934
	<hr/> <hr/>	<hr/> <hr/>

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2017 £000	Total 2016 £000
Skipton Girls' High School	2,888	702	131	1,035	4,756	4,570
Harrogate High School	2,422	490	24	7,621	10,557	3,749
New Park Primary School	628	11	8	249	896	719
Hookstone Chase Primary School	942	103	21	285	1,351	96
Central Services	-	-	-	45	45	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,880	1,306	184	9,235	17,605	9,134
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. Analysis of net assets between funds

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

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Tangible fixed assets	-	-	25,183	25,183
Current assets	407	1,528	8	1,943
Creditors due within one year	-	(1,169)	-	(1,169)
Provisions for liabilities and charges	-	(5,023)	-	(5,023)
	<u>407</u>	<u>(4,664)</u>	<u>25,191</u>	<u>20,934</u>

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

	2017 £000	2016 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(4,738)	1,928
Adjustment for:		
Depreciation charges	224	245
Dividends, interest and rents from investments	(1)	(3)
Loss on disposal of fixed assets	6,754	-
Decrease/(increase) in stocks	2	(2)
Decrease/(increase) in debtors	65	(141)
(Decrease)/increase in creditors	(248)	219
Capital grants from DfE and other capital income	(551)	(506)
Defined benefit pension scheme cost less contributions payable	181	23
Defined benefit pension scheme finance cost	106	95
Pension deficit transferred on conversion	475	137
Fixed assets transferred on conversion	(2,347)	(2,347)
Cash transferred on conversion	(118)	-
Net cash used in operating activities	<u>(196)</u>	<u>(352)</u>

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. Analysis of cash and cash equivalents

	2017 £000	2016 £000
Cash in hand	1,744	1,494
Total	<u>1,744</u>	<u>1,494</u>

21. Conversion to an academy trust

On 1 September 2016 Hookstone Chase Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Northern Star Academies Trust from North Yorkshire County 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 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	2,347,000	2,347,000
Budget surplus on LA funds	118,000	-	-	118,000
LGPS pension (deficit)	-	(475,000)	-	(475,000)
Net assets/(liabilities)	<u>118,000</u>	<u>(475,000)</u>	<u>2,347,000</u>	<u>1,990,000</u>

The above net assets include £118,000 that were transferred as cash.

22. Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any leasehold building the academy trust is required to either re-invest the proceeds or to repay the Secretary of State for Education or the Charities Commission the proceeds of the sale or disposal as these two bodies would jointly have an interest in the proceeds of any sale.

23. Capital commitments

	2017 £000	2016 £000
Contracted for but not provided in these financial statements	<u>246</u>	<u>-</u>

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by North Yorkshire County Council Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

As described in note 21 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represented their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Contributions amounting to £126,000 were payable to the schemes at 31 August 2017 (2016 - 118,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 16.8%. 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.

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

24. Pension commitments (continued)

The employer's pension costs paid to TPS in the period amounted to £702,000 (2016 - £609,000).

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).

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 2017 was £670,000 (2016 - £342,000), of which employer's contributions totalled £554,000 (2016 - £268,000) and employees' contributions totalled £116,000 (2016 - £74,000). The agreed contribution rates for future years are 16.3% - 18.6%% for employers and 5.5% - 10.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.30 %	3.40 %
Rate of increase for pensions in payment / inflation	2.00 %	1.90 %
Inflation assumption (CPI)	2.00 %	1.90 %
Commutation of pensions to lump sums	75.00 %	50.00 %

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

	2017	2016
Retiring today		
Males	22.8	23.3
Females	26.3	25.8
Retiring in 20 years		
Males	25.0	25.6
Females	28.6	28.1

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
Discount rate +0.1%	6,392	6,422
Discount rate -0.1%	6,689	6,727
Mortality assumption - 1 year increase	6,689	6,778
Mortality assumption - 1 year decrease	6,733	6,370
CPI rate +0.1%	6,646	6,655
CPI rate -0.1%	6,434	6,492

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

24. Pension commitments (continued)

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	1,540	974
Government Bond	297	229
Other bonds	70	78
Property	188	133
Cash	12	(11)
Other	216	147
	<hr/>	<hr/>
Total market value of assets	2,323	1,550
	<hr/>	<hr/>

The actual return on scheme assets was £234,000 (2016 - £204,000).

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

	2017 £000	2016 £000
Current service cost	(550)	(290)
Interest income	39	44
Interest cost	(145)	(143)
	<hr/>	<hr/>
Total	(656)	(389)
	<hr/>	<hr/>

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

	2017 £000	2016 £000
Opening defined benefit obligation	6,573	3,649
Upon conversion	690	137
Current service cost	550	290
Interest cost	145	143
Employee contributions	91	74
Actuarial (gains)/losses	(1,374)	2,313
Benefits paid	(136)	(33)
	<hr/>	<hr/>
Closing defined benefit obligation	6,539	6,573
	<hr/>	<hr/>

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

24. Pension commitments (continued)

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

	2017 £000	2016 £000
Opening fair value of scheme assets	1,550	1,034
Upon conversion	215	-
Interest income	39	44
Actuarial gains/(losses)	195	160
Employer contributions	369	271
Employee contributions	91	74
Benefits paid	(136)	(33)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>2,323</u>	<u>1,550</u>

25. Operating lease commitments

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts payable:		
Within 1 year	1	8
Between 1 and 5 years	3	9
	<hr/>	<hr/>
Total	<u>4</u>	<u>17</u>

26. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

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

During the period donation to the value of £149,000 (2016: £73,000) were received from Northern Lights Teaching School Alliance Limited and services provided to the value of £1,000 (2016: £125,000) were provided to Northern Lights Teaching School Alliance Limited, a limited company in which M P Kelly and J Plews are Directors.

During the period sports facilities to the vaule of £46,000 were provided to Erysted's Grammar School and sports facilities to the vaule of £31,000 were provided by Erysted's Grammar School, a school in which H G Cutler is a Governor.

NORTHERN STAR ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

27. Agency Arrangements

The academy trust distributes School Centred Initial Teacher Training (SCITT) bursary funding to student teachers as an agent for the Department for Education. In the accounting year ending 31 August 2017 the trust received £392,000 and disbursed £392,000 from the fund. The balance of £Nil is included in the financial statements.

Similarly the academy trust distributes 16-19 bursary funding to students as an agent for the Education and Skills Funding Agency. In the accounting year ending 31 August 2017 the trust received £25,000 and disbursed £22,000 from the fund. An amount of £3,000 is included in other creditors relating to undistributed funds.