

REGISTRAR COPY

Registered number: 08172039

NORTHAMPTON PRIMARY ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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NORTHAMPTON PRIMARY ACADEMY TRUST**(A company limited by guarantee)**

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members	Mr S Richards Mr T Covington Mr D McIntosh Mr P Hall-Jones Mr A White
Trustees/Governors	Mrs J Clarke (appointed 1 April 2016) Mr F Crookenden-Johnson Mrs U Dudley (appointed 1 April 2016) Mrs L Easton (resigned 31 January 2016) Ms J Kedwards, Strategic Director & Accounting Officer Rev D G Kirby (appointed 1 September 2015) Mr A Lakatos, Head Teacher (resigned 31 December 2015) Mr T Rees, Head Teacher Mrs V Vass (appointed 1 November 2015, resigned 31 August 2016) Mr A White Mr L Wolmarans, Head Teacher Mrs J Ramshaw (resigned 31 December 2015) Ms L Cichuta (resigned 1 September 2015) Mr T Covington (resigned 5 November 2015)
Company registered number	08172039
Company name	Northampton Primary Academy Trust
Principal and registered office	Headlands Primary School Bushland Road Northampton Northamptonshire NN3 2NS
Company secretary	A Booth
Senior management team	Mr L Wolmarans, Head Teacher Mr A Lakatos, Head Teacher (resigned 31 December 2015) Ms L Cichuta, Head Teacher Mr T Rees, Head Teacher Ms J Kedwards, Strategic Director Mrs D Archer, Head Teacher Mr N Woods, Head Teacher Mr D Smith, Head Teacher Mrs J Ramshaw, Head Teacher
Independent auditor	MHA MacIntyre Hudson Chartered Accountants Peterbridge House The Lakes Northampton NN4 7HB

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
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Advisers (continued)

Bankers	Lloyds Bank plc PO Box 1000 Andover BX1 1LT
Solicitors	Browne Jacobson LLP 44 Castle Gate Nottingham NG1 7BJ

NORTHAMPTON PRIMARY ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4-11 serving a catchment area in Northampton. It has a pupil capacity of 2,598 and had a roll of 2,575 in the last school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The trustees of Northampton Primary Academy Trust are also the directors of the charitable company for the purpose of company law.

The Charitable Company is known as Northampton Primary Academy Trust.

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

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,410.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The board of trustees is responsible for appointing trustees. The board of trustees is made up of the principals from each academy, the chair of trustees from each academy and two parent trustees from each academy.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity, educational legal and financial matters. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. Induction tends to be tailored specifically to the individual.

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TRUSTEES' REPORT (continued)
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ORGANISATIONAL STRUCTURE

The trust comprises of 5 primary academy schools: Abington Vale Primary School, Ecton Brook Primary School, Lings Primary School, Headlands Primary School and since April 2015, Simon De Senlis Primary School. In addition the trust has a partnership agreement with Weston Favell Church of England Primary School.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the individual Academies by the use of budgets and pupil data and making major decisions about the direction of the trust, capital expenditure and senior staff appointments. The core strategic functions of the board of trustees are to ensure the following:

Standards

To review the Trust Schools Improvement and Pupil Development and well being issues.

To ensure the Head Teachers perform their responsibilities for the educational performance of the school.

Audit

To review the risks to internal financial control and ensure processes are in place to reduce those risks.

To ensure there is a robust and effective process for checking financial systems, controls, transactions and risks in place.

Finance and Resources

To ensure that effective, formalised systems are established to ensure the Trust's financial health.

To approve budgets and significant changes to that budget for the financial year and to ensure that approval is minuted.

To regularly consider and review information provided on financial performance.

To approve the Trust's audited financial statements before submission to EFA and that approval is minuted.

To ensure all key requirements of the Academies Financial Handbook are being met and that all key scrutiny, decisions and approvals throughout the year are effectively scheduled.

The board of trustees meet 6 times per annum and the Senior Management team meets on a weekly basis. The individual academy business managers meet on a monthly basis.

The Strategic Director is the Accounting Officer as required by the Funding Agreement with the DFE.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

NPAT adheres to its own pay policy which is broadly in line with the Local Authority agreed pay policy. This policy is reviewed and endorsed annually by the NPAT Board of Directors with regard to the setting of key management personnel pay.

Following performance management meetings (comprising Chair of Governors, Strategic Director and performance management governors) pay recommendations within the recommended Local Authority wage band are sent to the relevant School Board of Governors along with evidence of targets met.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The academy trust has a partnership agreement in place with Weston Favell Church of England Primary School. The principal of the school and chair of trustees attend Board and Senior Management team meetings.

The individual academies remain members of local cluster groups; these are informal relationships with no written agreements in place.

There are no related parties which either control or significantly influence the decisions and operations of NPAT.

OBJECTIVES AND ACTIVITIES**OBJECTS AND AIMS**

NPAT's objectives are specifically restricted to the advancement, for the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, managing and developing the schools within the Trust, to offer a broad and balanced curriculum.

The principle aim of NPAT is to provide high quality learning that helps all students to fulfil their intellectual potential and become good and emotionally balanced young people.

Further aims are as follows:-

- To ensure our schools are well led and managed;
- To provide a secure and stimulating environment where everyone in school works together in a meaningful partnership so that each can learn from another;
- To develop within the community pride, perseverance, productivity and personal responsibility so that there is a culture where everyone is valued and able to succeed;
- To provide high quality learning opportunities within a balanced and relevant curriculum;
- To work together with professionalism, integrity and trust to achieve quality provision for all.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES, STRATEGIES AND ACTIVITIES

With responsibility for approximately 2,700 children across Northampton, NPAT is driven by a vision of innovation, high aspiration and achievement, and a commitment to sport and the arts.

NPAT schools all share this common vision and are committed to these principles, whilst retaining the freedom to innovate and develop their own identity and character.

The Partnership is built on the principle of synergy; that a collaboration of vibrant and successful schools ensures that we can achieve collectively what a single school couldn't achieve alone. NPAT improves our schools using collaboration and innovation through partnership working that brings together children, parents, teachers and school leaders.

Within the partnership, schools will have differing strengths and needs at different times and all schools are committed to an ethos of mutual support and sharing of practice.

The Directors have set out the following strategic objectives:

1. Learning & Teaching

All children within the NPAT Partnership will benefit from the highest standards of teaching. This will be delivered through the following outcomes:

- Teaching across the trust is consistently good or outstanding in every classroom;
- Academic Outcomes are consistently above national expectation;
- All schools are at least good or outstanding as defined by OFSTED.

2. Curriculum

Children within the Partnership will have access to a relevant, engaging and inspiring curriculum that provides opportunities and creativity to develop the whole child. Our curriculum approach is underpinned by the 21st Century Learning Design Framework and Growth Mindset, with each school free to innovate and develop curriculum approaches relevant to their context and needs alongside the following trust-wide curriculum commitments:

- NPAT Maths;
- NPAT Digital Strategy;
- REAL PE;
- Drama for Learning;
- Wider opportunities in Sports and the Arts;
- Every child has the opportunity to learn a musical instrument for an extended period of time;
- All schools within the partnership will achieve the ArtsMark and Sportsmark awards.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

3. Inclusion & Safeguarding

Nothing is more important than keeping all our children safe, especially the most vulnerable. The NPAT Partnership is also fully committed to ensuring that children with SEND, those eligible for Pupil Premium grant funding and other vulnerable groups are able to achieve as highly as possible. Schools within the partnership will have the most rigorous and updated procedures and policies which help keep children in our care safe. We will ensure that all vulnerable groups of children achieve highly, when compared to their peers nationally, through the following measures:

- All schools will be subjected to an annual safeguarding audit;
- All schools will work towards and achieve the Inclusion Quality Mark (IQM);
- Behaviour and Safety of children will be outstanding in all our schools.

4. People

The quality of teaching in our schools is only as good as the staff who work in them and therefore we aim to recruit, develop and retain high quality staff who embody our values. We value the well-being of our staff and therefore invest in our staff through high quality professional development, induction and leadership support and mentoring.

5. Trust Development

The NPAT Partnership has ensured that all six of its existing schools are now good or outstanding and is now committed to both sustaining this, and also expanding the trust so that it can impact on a higher number of schools and children in the county, playing our part in improving standards across the county. Sustaining progress and ensuring best value for all partner schools over the next 3 years, NPAT aims to:

- Grow from 6 to between 12 and 15 schools;
- Develop an infrastructure which provides greater management/administration support to schools, offering value and leaving schools focused on pupils, learning and teaching;
- Development and implementation of an action plan to put in place robust policies, procedures and processes across finance, HR, Marketing, Legal and Safety disciplines;
- All new academies that enter into the trust will need to fulfil one or more of the following criteria:
 - o Within our existing geographical catchment and in need of support socially and academically;
 - o A Leadership team that will benefit the trust as a whole;
 - o A new build academy that introduce new learning principles and space;
 - o An academy that can offer financial benefit to the trust.

6. Leadership

Our focus is on creating inspirational and forward thinking leadership at multiple levels - from subject leaders, leadership teams and governing bodies through to Head teachers and Directors. Our approach to delivering high quality leadership will be:

- A Board of Directors, accountable to its members, that operates ethically and transparently, focused on meeting the strategic objectives;
- An operating board of Head Teachers that drive development across the trust and within their own academies;
- A consistent approach to governance across the academies and a recruitment process that attracts the best voluntary talent to our governing bodies;
- Ensuring we allow our future leaders to grow and develop within the trust operating a policy of recruiting from within the trust;
- To continually review and influence succession planning across all leadership levels.

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TRUSTEES' REPORT (continued)
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PUBLIC BENEFIT

The academy trust promotes education for the benefit of the local community of Northampton and offers recreational facilities to a variety of local community groups outside of School hours for the benefit of the general public. Community based projects are also undertaken throughout the year by staff and students which further enhances the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission and the trustees have paid due regard to this guidance in deciding what activities are undertaken.

CHAIRS REPORT

This year has seen the Northampton Primary Academy Trust make considerable progress in our overall development plan, whilst retaining the core values that we are built on.

We have made the mind-set shift to become a significant force in the future educational landscape, building strong external relationships and working closely with the Regional Schools Commissioner and DfE to shape our future. Following on from the Government White Paper release we have set ourselves a future state target of 12-14 member schools over the next 5 years.

The Directors remain committed to ensuring that funds are focused on the schools and their pupils, but also recognises that the trust cannot grow significantly without building a strong central support function. To this end we will appointing a Chief Executive Officer in January 2017 and a Chief Operating Officer in early 2017.

The appointment of these roles will give the trust the foundation to deliver growth and importantly give our school leadership teams the time and space to focus on improving the life chances of every single child.

To support our long term aspirations we have appointed 2 Non Exec Directors to the Board and added two external Members. These changes have brought in new thinking, extra challenge and a fresh perspective to our strategic objectives.

We are making good progress on our strategic objectives and the trust remains driven by a pedagogical vision for its pupils and staff.

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STRATEGIC DIRECTORS REPORT

Achievements and Performance July 2016

School	Abington Vale	Ecton Brook	Headlands	Lings	Simon De Senlis	Weston Favell	National Average	LA Average	NPAT Average
KS2 reading	87%	73%	57%	73%	62%	87%	66%	62%	73%
KS2 Writing (TA)	83%	91%	69%	70%	73%	85%	74%	72%	79%
KS2 Maths	70%	78%	67%	33%	73%	67%	70%	66%	65%
KS2 GPS	90%	82%	69%	60%	73%	83%	72%		76%
KS2 R/W/M combine	67%	68%	49%	33%	60%	65%	53%	49%	57%

Attainment this year is judged against new national assessment criteria using the interim assessment frameworks provided by the Department for Education. This is the first year that the new criteria has been used and as such this data acts as a first year benchmark upon which to build. NPAT average attainment has exceeded national in all aspects except Maths, where the outcomes data from one school has brought down the trust outcomes to 5% below national. This is being addressed. Outcomes for Reading/Writing/Maths combined across NPAT have exceed National Average by 4%.

All NPAT schools have increased the numbers of children engaging in the NPAT target areas of music, dance, drama and art, have continued their work with the Royal Shakespeare Company in being part of the NPAT Creative Hub partnership, and have continued to develop their roles as Microsoft Associate Showcase Schools.

There have been no Ofsted inspections this year and all NPAT schools continue to be judged good or outstanding by Ofsted. One school has received additional support this year in order to improve outcomes for pupils and an additional school has received additional NPAT support as part of a sponsored academy arrangement. This school will be formally sponsored by NPAT in February 2017. NPAT has made one application to open a Free School in 2018 (this is yet to be accepted or declined by the DfE).

The Head Teacher Operational Committee have formed sub-committees this year to focus on the key improvement foci for learning and teaching – English, Maths and Assessment – and the NPAT English and Maths Advisors form part of these committees to identify and prioritise target objectives and formulate action plans around these. Progress against these are monitored by the Board of Directors.

Combined attendance of pupils across the trust remains above national expectation at 96.5%.

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TRUSTEES' REPORT (continued)
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KEY PERFORMANCE INDICATORS

In order to ensure there is a quantifiable measure to determine whether the schools within the Trust are meeting the operational and strategic goals, the following KPI's have initially been applied to financial reporting and business monitoring.

Key performance indicator	Target 2014/15	Actual AVPS	Actual EBPS	Actual HPS	Actual LPS	Actual SDS
Teachers pay as % of total revenue income	49%	44%	46%	47.2%	41%	52%
Total pay as % of total revenue income	75.2% PFI 81.7% Non PFI	70%	72%	81%	65%	78%
Training & Development as % of total revenue income	2.6%	0.4%	0.6%	1.5%	0.8%	1.9%
Curriculum costs as % of total revenue income	4.5%	2.6%	2.8%	3.4%	2.9%	2.7%
Energy costs as % of total revenue income	2.0%	1.6%	1.3%	1.3%	1.4%	1.1%

GOING CONCERN

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW

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

The academy also received grants for fixed assets from the EFA and other funding bodies. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure of £10,333,639 (2015 - £8,770,440) (excluding depreciation) was not covered by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and before transfers) was £43,159 (2015 - excess of income over expenditure £731,541).

At 31 August 2016 the net book value of fixed assets was £21,642,776 (2015 - £21,991,104) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

Part of the expenditure included investment into external support to focus on numeracy and literacy development across the schools, and the board of trustees monitor the effectiveness of this expenditure on a regular basis.

At 31 August 2016 the pension scheme deficit was £5,301,000 (2015 - £3,355,000). The employer's contribution rate will be adjusted to reflect the increase in the pension deficit.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

RESERVES POLICY

The purpose of the reserves policy for NPAT is to ensure the stability of all of its school operations, to provide protection allowing the ability to adjust quickly to financial circumstances, such as large unplanned expenditure, cyclical maintenance and working capital requirements.

Whilst it is not mandatory to hold reserves, it is generally considered good business practice to do so. Reserves should be held in order to provide sufficient working capital to cover delays between spending and receipt of grant income, to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred and to build up funding for planned future capital projects.

Within NPAT schools, if the level of free reserves (total funds less the amounts held in Fixed Assets and restricted funds) is less than is needed, the school will build up free reserves to the level required, ideally over a five year period.

INVESTMENT POLICY

NPAT does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow.

Guidelines

Regular cash flow reports are prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Finance Committee. Approval must be signed off and recorded in the committee minutes.

Interest bearing deposit accounts with Lloyds Bank.

(Currently receive 0.1% on School Current Account.)

Higher Interest Accounts available from Lloyds with fixed periods of 2 weeks, 6 weeks, 3 months, 6 months and 12 months. The longer the period the higher the interest rate. Minimum investments are £10,000 (£50K – 12 Months).

Monitoring and Evaluation

The Business Manager of each school will compare alternative investment opportunities every six months to ensure that the school's funds achieve the best interest rates.

The Headteacher and Business Manager are responsible for ensuring the policy is adhered to.

Reviewing

The Headteacher and Governors will carry out a review of this policy on a regular basis to ensure that any new or changed legislation is adhered to.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

PURPOSE FOR RESERVES

The following purposes are considered appropriate for NPAT :

1. Current reserves that are established to manage known risks which are not insurable or where insurance does not provide value for money. An example of this is staff sickness fund where the premium to protect against losses incurred are very high and exclude cover in certain areas.
2. Specific reserves to fund previously agreed and approved projects which have not yet completed. This may include repair and maintenance projects or specific IT projects
3. Capital reserves established in order to fund capital expenditure and other investments that would not be affordable if financed from a single year's funding
4. General reserve to provide for unexpected and unpredictable needs. The target for these reserves should be equal to one month's average payroll costs. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.
5. Cash flow management reserves used to enable variable cash demands across the Trust or specific parts of the Trust to be managed.

REPORTING AND MONITORING

The reserve levels will be reviewed by the NPAT board of directors on an annual basis. The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

All reserves are reported and reviewed regularly at local GB meetings and expenditure from reserves are approved by the local Governing Body.

At 31 August 2016 the total funds comprised:

Unrestricted		364,281
Restricted:	Fixed asset funds	21,696,531
	Pension reserve	(5,301,000)
	Other	1,677,322
		<u>18,437,134</u>

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PRINCIPAL RISKS AND UNCERTAINTIES

Through the academy's risk management procedures, it has considered its principal risks and uncertainties and planned mitigating action wherever possible. The principal risks and uncertainties identified by the board of trustees are:

- Change in government funding regime - the academies receive 88% of their funding from government agencies;
- Reduction in student numbers either through competition or a damaged reputation;
- Reduction in standards across the academies/poor Ofsted grading;
- Loss of key senior personnel.

Key controls that the academy has in place to mitigate these risks include:

- Attendance at government funding agency conferences and participation in focus groups to keep up to date with and influence as far as possible academy funding methodology;
- Regular challenge and support on standards and performance between schools;
- Use of external consultants to monitor and develop core curriculum areas;
- Succession planning strategies;
- Appointment of Strategic Director role on a trial basis.

PLANS FOR FUTURE PERIODS

The trust has identified the following areas of future development:

- Seeking like minded schools or academies to join or partner the trust;
- The introduction of strategic roles to support curriculum development and commercial development;
- Increased pooling of resources and supplier rationalisation to unlock future value;
- Review governance structure to improve strategic development of trust;
- Assess centralisation of non core activities to allow schools to focus on core educational objectives.

FUNDS HELD AS CUSTODIAN

A number of senior staff and trustees act as trustees of the Headlands Primary School Fund, a charity registered with the Charity Commission with registration number 1057403. This charity undertakes a number of fundraising events for specific educational projects, and manages donations in respect of educational trips.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

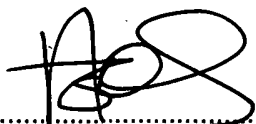
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TRUSTEES' REPORT (continued)
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AUDITOR

MHA MacIntyre Hudson, has been appointed as the academy's auditor and has indicated its willingness to continue in office.

This report was approved by order of the board of trustees as the company directors, on 14/12/16 and signed on its behalf by:



.....
Mr A White
Chair of Trustees

NORTHAMPTON PRIMARY ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Strategic Director, 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 Northampton Primary Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of trustees has formally met 6 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
Mrs J Clarke	2	2
Mr F Crookenden-Johnson	6	6
Mrs U Dadley	2	2
Mrs L Easton	0	1
Ms J Kedwards	6	6
Rev D G Kirby	6	6
Mr A Lakatos	0	1
Mr T Rees	5	6
Mrs V Vass	4	5
Mr A White	6	6
Mr L Wolmarans	6	6
Mrs J Ramshaw	0	0
Ms L Cichuta	0	0
Mr T Covington	0	1

Governance Review

The re-structure of the Board in 2015 has delivered a more strategically focused Board and the trust no longer operates an 'every school represented' policy on the Board of trustees. Day to day operational decisions are delegated to the Operational Head Teachers Committee, which is represented by each school.

In April 2016 the Trustees appointed 2 Non-Executive Trustees external to the trust in order to bring in expertise in key areas and generate external views and ideas. This has added to sharper focus on non-educational matters, whilst increasing the challenge of individual school performance.

Following a self-evaluation process the Directors are now formulating plans to create greater focus on their strategic objectives through the implementation of committees that report directly into the Board.

Following on from the AGM in January 2015 the Board also recommended an increase in the number of Members that monitor the Trusts performance, increasing it to five, including two external representatives, one of which is a respected name in the education sector.

The effectiveness of the Members panel and the challenge it provides to the Trust has led to the introduction of a mid-year general meeting.

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GOVERNANCE STATEMENT (continued)

During 2016 the Board engaged two external consultants to support the development to the local governing bodies.

The Chair and Strategic Director carried out an audit of the local governing bodies and held a meeting with all LGB Chairs to review lines of accountability and identify the future focus areas of all LGB's.

In 2017 the Trust will complete a review of the effectiveness of its governance structure with a view to sharpening the focus of the LGB's to key performance areas and in particular that of pupil outcomes.

The Directors are also committed to working with the LGB Chair community to give them the skills needed to effectively manage their Governing Bodies. The continuing challenge of recruiting high quality governors across the trust will also be addressed through developing strategic partnerships with Governor recruitment organisations.

REVIEW OF VALUE FOR MONEY

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

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

Targeted improvement

The Academy Trust's principal activities are to:

- Improve the quality of education for young people across the academies;
- Develop and share examples of best practice across the academies;
- Provide academy to academy support to address development requirements of individual academies; and
- Ensure that the performance within the Trust is continually improving.

All Academy staff are deployed in order to provide best value in terms of curriculum leadership & management and quality of teaching & learning. Current attainment of NPAT pupils is broadly in line with national expectation with some areas performing higher. The elements achieving below expectations continue to be targeted in 2016-17.

Initiatives

The Strategic Director's key focus is to continue in supporting in the leadership and direction for the NPAT academies ensuring that a high quality learning experience is provided to all of their children, the agreed aims and objectives of NPAT are met and the core values of the NPAT ethos is continually promoted.

Quantifying improvements :-

- Annual whole school reviews which are opportunities for NPAT to provide challenges to ensure each of the schools continues to improve and develop;
- Detailed, frequent and timely monitoring of Teachers by the Senior Management Teams, identify elements in their practice which are strengths and those which could be developed further;
- Monitoring of pupil progress focuses on the attainment and development of all pupils;
- The setting of performance management targets by the Strategic Director for all Trust Head Teachers with their Local Governing Bodies;
- Pupil premium pupil achievements continue to be an improvement from previous year attainments.

The Strategic Business Manager for NPAT continues to oversee the financial aspects of the academies in the Trust and to ensure uniformity of policies and procedures, including delivering Value for Money in all elements of the Trusts activities.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Collaboration and economies of scale

NPAT is passionate about creating an environment of collaborative learning with a sharing of expertise across the Trust. Head Teachers, Senior Management and Key Stage/Phase leaders meet regularly to identify best practices, areas of development and how the schools within NPAT can support each other in these developments. The Trust is particularly effective in enabling the independent moderation of the school's assessments; portfolios of pupils' work confirm the accuracy and value of this moderation across all Key Stages/Phases.

Collaborative working also extends to the School Business Managers and administrative staff within NPAT. As well as providing a platform to share good practices, best value principles are adhered to through standardisation, a better use of resources and knowledge & information sharing.

Simon De Senlis Primary School joined the Trust in April 2015 and a review of financial procedures and all budget lines has already resulted in improved economies of scale.

The Trust schools regularly collaborate to reduce procurement and administration costs. Bulk purchasing is carried out where possible to ensure maximum discounts are received. Significant savings have already been made across the Trust in areas including IT equipment purchasing, telecommunication costs, insurance and legal support.

In the 2015-16 financial year, the combined savings made by NPAT relating to collaborative purchasing and Service Level agreements, came to £68,000 representing 33% of influenceable spend, an increase of an additional 1% from 2014-15.

Benchmarking

The Trust regularly benchmarks financial performance against other local schools and academies with regards to staffing costs, utilities and contract prices. A particular emphasis is placed on comparing against schools with high pupil achievement statistics and assessing particular categories of spend including Training and Development, Curriculum resources and ICT.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed the Business Managers of each school within the academy trust to perform peer review.

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

- Testing of income systems;
- Testing of purchases and expenses systems;
- Testing of control account and bank reconciliations;
- Testing of HR & payroll systems.
- Testing of safeguarding requirements
- Testing of governance documentation
- Testing of EFA & DFE compliance

On a termly basis, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Strategic Director 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 peer reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control 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 14/12/16 and signed on their behalf, by:


.....
Mr A White
Chair of Trustees


.....
Ms J Hedwards
Accounting Officer

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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


.....
Ms J Redwards
Accounting Officer

NORTHAMPTON PRIMARY ACADEMY TRUST

(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The trustees (who act as governors of Northampton Primary Academy 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 published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

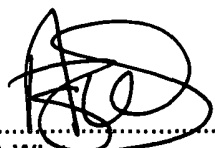
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 14/12/16 and signed on its behalf by:


.....
Mr A White
Chair of Trustees

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHAMPTON PRIMARY ACADEMY TRUST**

We have audited the financial statements of Northampton Primary Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, set out on page 22, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHAMPTON PRIMARY ACADEMY TRUST**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

MHA MacIntyre Hudson

Rebecca Hughes BSc(Hons) FCCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date:

16 December 2016

NORTHAMPTON PRIMARY ACADEMY TRUST

(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
NORTHAMPTON PRIMARY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northampton Primary Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Northampton Primary Academy Trust's funding agreement with the Secretary of State for Education dated 1 November 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
NORTHAMPTON PRIMARY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw to our conclusion includes;

- Reviewing the minutes of meetings of the board of trustees and other evidence made available to us relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the company;
- Testing a sample of payroll payments to staff;
- Testing a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA MacIntyre Hudson

Chartered Accountants

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 16 December 2016

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Transfer from LA	2	-	-	-	-	3,305,925
LA Donations	2	-	-	-	-	1,890,000
Other donations and capital grants	2	240,085	118,678	47,844	406,607	352,607
Charitable activities:	5					
Funding for the academy trust's educational operations		-	9,804,513	-	9,804,513	8,283,121
Other trading activities	3	169,573	37,793	-	207,366	184,642
Investments	4	6,156	-	-	6,156	2,658
TOTAL INCOME		415,814	9,960,984	47,844	10,424,642	14,018,953
EXPENDITURE ON:						
Raising funds		220,625	232,873	-	453,498	391,644
Charitable activities:						
Academy trust educational operations		-	9,880,141	719,036	10,599,177	9,045,792
TOTAL EXPENDITURE	6	220,625	10,113,014	719,036	11,052,675	9,437,436
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		195,189	(152,030)	(671,192)	(628,033)	4,581,517
Transfers between Funds	17	-	(295,298)	295,298	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		195,189	(447,328)	(375,894)	(628,033)	4,581,517
Actuarial gains/(losses) on defined benefit pension schemes	17,21	-	(1,754,000)	-	(1,754,000)	102,000
NET MOVEMENT IN FUNDS		195,189	(2,201,328)	(375,894)	(2,382,033)	4,683,517
RECONCILIATION OF FUNDS:						
Total funds brought forward		169,092	(1,422,350)	22,072,425	20,819,167	16,135,650
TOTAL FUNDS CARRIED FORWARD		364,281	(3,623,678)	21,696,531	18,437,134	20,819,167

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08172039

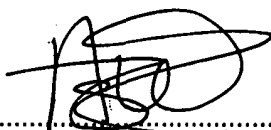
BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		21,642,776		21,991,104
CURRENT ASSETS					
Debtors	14	473,581		461,308	
Cash at bank and in hand		2,532,596		2,677,435	
		<u>3,006,177</u>		<u>3,138,743</u>	
CREDITORS: amounts falling due within one year	15	<u>(910,819)</u>		<u>(938,057)</u>	
NET CURRENT ASSETS			2,095,358		2,200,686
TOTAL ASSETS LESS CURRENT LIABILITIES			23,738,134		24,191,790
CREDITORS: amounts falling due after more than one year	16		-		(17,623)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			23,738,134		24,174,167
Defined benefit pension scheme liability	21		<u>(5,301,000)</u>		<u>(3,355,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>18,437,134</u>		<u>20,819,167</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income fund	17	1,677,322		1,932,650	
Fixed asset fund	17	21,696,531		22,072,425	
Restricted income funds excluding pension liability		<u>23,373,853</u>		<u>24,005,075</u>	
Pension reserve		<u>(5,301,000)</u>		<u>(3,355,000)</u>	
Total restricted income funds			18,072,853		20,650,075
Unrestricted income funds	17		<u>364,281</u>		<u>169,092</u>
TOTAL FUNDS			<u>18,437,134</u>		<u>20,819,167</u>

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the trustees, and authorised for issue, on
14/12/16 and are signed on their behalf, by:



.....
Mr A White
Chair of Trustees

The notes on pages 31 to 52 form part of these financial statements.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	19	195,640	311,234
Cash flows from investing activities:			
Purchase of tangible fixed assets		(370,705)	(298,061)
Capital grants from DfE/EFA		47,844	105,151
Cash transferred on conversion		-	57,433
Net cash used in investing activities		(322,861)	(135,477)
Cash flows from financing activities:			
Repayments of borrowings		(17,618)	-
Cash inflows from new borrowing		-	35,246
Net cash (used in)/provided by financing activities		(17,618)	35,246
Change in cash and cash equivalents in the year		(144,839)	211,003
Cash and cash equivalents brought forward		2,677,435	2,466,432
Cash and cash equivalents carried forward		2,532,596	2,677,435

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

1.2 Going concern

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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 good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor 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.

Donations

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

Other income

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Freehold property	-	2% straight line
Leasehold property	-	2% straight line
Leasehold land	-	0.8% straight line
Office equipment	-	15% straight line
Computer equipment	-	33% straight line

1.6 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.

1.7 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 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.

1.10 Interest receivable

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at Bank and in hand

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

1.13 PFI contracts

Some of the buildings used by the academy trust were constructed under a Private Finance Initiative (PFI) Contract between Northamptonshire Local Authority and a Private Contractor. The project was completed prior to the School's conversion to academy status. On conversion, the academy has entered into a Schools Agreement with the Local Authority which transfers the Local Authority's main obligations under the PFI Contract to the academy. The PFI Contract is due to end in 2030.

PFI contract payments

The academy is responsible for the revenue costs of maintaining the facilities. The payments made to the Local Authority in respect of the PFI Contract unitary charge relating to these revenue costs are therefore expensed to the Statement of Financial Activities in the period to which they relate.

Land and buildings

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

Other assets

Other assets under the PFI Contract (for example, equipment and fixtures & fittings provided as part of the PFI Contract facilities) transfer to the Local Authority at the end of the Contract and then to the academy under the Schools Agreement. The basis of the contract agreement is that at the point of transfer, the assets will be "as new."

The Trustees have considered the risks and rewards associated with these other assets, and believe that the academy does not take on any significant risks in respect of these assets during the PFI Contract term. It has therefore adopted a policy not to record these as assets in its balance sheet until the replacement assets are transferred to it by the Local Authority at the end of the PFI Contract.

1.14 Consolidation

Headlands Primary School has a school fund registered as a charity with the Charity Commission (registration number 1057403), which is under the control of the academy trust. The academy trust did not prepare group accounts as the trustees are of the opinion that the results of the school fund account are not material to the academy trust's financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)**1.15 Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated 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 21, 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 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.

1.16 Fund accounting

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Transfer from LA	-	-	-	-	3,305,925
LA Donations	-	-	-	-	1,890,000
Donations	240,085	118,678	-	358,763	247,456
Capital grants	-	-	47,844	47,844	105,151
Other donations and capital grants	240,085	118,678	47,844	406,607	352,607
Total donations and capital grants	240,085	118,678	47,844	406,607	5,548,532

In 2015, of the total income from donations and capital grants, £159,502 was to unrestricted funds and £5,389,030 was to restricted funds

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3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Catering income	17,762	-	17,762	17,377
Lettings income	85,794	-	85,794	167,265
Recharge income	66,017	37,793	103,810	-
	<u>169,573</u>	<u>37,793</u>	<u>207,366</u>	<u>184,642</u>

In 2015, of the total income from other trading activities, £184,642 was to unrestricted funds and £ NIL was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	6,156	-	6,156	2,658

In 2015, of the total investment income, £2,658 was to unrestricted funds and £ NIL was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
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5. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General annual grant (GAG)	-	7,786,582	7,786,582	6,861,349
Other DfE/EFA grants	-	1,200,511	1,200,511	949,743
	-	8,987,093	8,987,093	7,811,092
Other government grants				
Local authority grants	-	676,541	676,541	358,241
Other government grants	-	-	-	32,995
	-	676,541	676,541	391,236
Other funding				
Other income	-	140,879	140,879	80,793
	-	140,879	140,879	80,793
	-	9,804,513	9,804,513	8,283,121

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £8,283,121 was to restricted funds.

6. RESOURCES EXPENDED

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	49,253	-	347,607	396,860	214,464
Expenditure on fundraising trading	133,810	-	(77,172)	56,638	177,180
Academy's educational operations:					
Direct costs	6,472,386	-	977,104	7,449,490	6,085,629
Allocated support costs	574,979	1,022,277	1,552,431	3,149,687	2,960,163
	7,230,428	1,022,277	2,799,970	11,052,675	9,437,436

In 2016, of the total expenditure, £220,625 (2015 - £300,528) was to unrestricted funds and £10,832,050 (2015 - £9,136,908) was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. CHARITABLE ACTIVITIES

	Direct costs 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Educational operations	<u>7,449,490</u>	<u>3,149,687</u>	<u>10,599,177</u>	<u>9,045,792</u>

Analysis of support costs

	2016 £	2015 £
Support staff costs	574,979	516,468
Depreciation	717,132	630,996
Technology costs	113,171	87,477
Premises costs	305,145	414,069
Other support costs	1,403,794	1,274,403
Governance costs	35,466	36,750
Total support costs	<u>3,149,687</u>	<u>2,960,163</u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	717,129	630,996
Fees payable to auditor for - audit	17,500	17,000
Fees payable to auditor for - other services	13,100	16,732
Operating lease rentals	412,472	417,383
Loss on disposal of fixed assets	<u>1,904</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	5,609,437	4,869,581
Social security costs	395,140	300,762
Operating costs of defined benefit pension schemes	1,082,632	845,438
	<hr/>	<hr/>
Supply teacher costs	7,087,209	6,015,781
	143,219	109,394
	<hr/>	<hr/>
	7,230,428	6,125,175
	<hr/>	<hr/>

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

	2016	2015
	No.	No.
Teachers	99	91
Administration and support	216	217
Management	18	23
	<hr/>	<hr/>
	333	331
	<hr/>	<hr/>

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	3	2

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2016, pension contributions for these staff amounted to £67,093 (2015 - £46,709).

The key management personnel of the academy trust comprise the trustees and senior management team as listed on page 1 and local governors. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,327,045 (2015: £1,077,693).

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**NOTES TO THE FINANCIAL STATEMENTS
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10. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the year:

- Educational support services
- Legal services
- Other services as arising

The academy trust charges for these services on the following basis:

Amount per pupil.

The actual amounts charged during the year were as follows:

	2016 £	2015 £
Abington Vale Primary School	28,765	-
Ecton Brook Primary School	46,758	-
Headlands Primary School	1,947	-
Lings Primary School	19,263	-
Simon de Senlis Primary School	36,769	-
	<u>133,502</u>	<u>-</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 Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

		2016 £	2015 £
Ms J Kedwards, Strategic Director & Accounting Officer	Remuneration	70,000-75,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr A Lakatos, Executive Principal	Remuneration	10,000-15,000	60,000-65,000
	Pension contributions paid	0-5,000	5,000-10,000
Mr L Wolmarans, Head Teacher	Remuneration	75,000-80,000	70,000-75,000
	Pension contributions paid	10,000-15,000	5,000-10,000
Mr T Rees, Head Teacher	Remuneration	65,000-70,000	25,000-30,000
	Pension contributions paid	10,000-15,000	0-5,000
Ms L Cichuta	Remuneration	60,000-65,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no trustees received any reimbursement of expenses (2015 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,410 (2015 - £1,410).

13. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 September 2015	4,389,707	17,927,855	617,392	730,383	23,665,337
Additions	-	-	191,565	179,140	370,705
Disposals	-	-	(2,820)	-	(2,820)
At 31 August 2016	4,389,707	17,927,855	806,137	909,523	24,033,222
Depreciation					
At 1 September 2015	275,588	731,943	210,836	455,866	1,674,233
Charge for the year	98,469	355,092	103,771	159,797	717,129
On disposals	-	-	(916)	-	(916)
At 31 August 2016	374,057	1,087,035	313,691	615,663	2,390,446
Net book value					
At 31 August 2016	4,015,650	16,840,820	492,446	293,860	21,642,776
At 31 August 2015	4,114,119	17,195,912	406,556	274,517	21,991,104

14. DEBTORS

	2016 £	2015 £
Trade debtors	21,484	21,981
VAT repayable	152,482	182,244
Prepayments and accrued income	299,615	257,083
	473,581	461,308

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NOTES TO THE FINANCIAL STATEMENTS
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15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other loans	17,628	17,623
Trade creditors	10,662	139,618
Other taxation and social security	116,189	99,537
Pension creditors	121,340	107,157
Other creditors	71,030	23,656
Accruals and deferred income	573,970	550,466
	<u>910,819</u>	<u>938,057</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	192,594	131,414
Resources deferred during the year	189,773	192,594
Amounts released from previous years	(192,594)	(131,414)
Deferred income at 31 August 2016	<u>189,773</u>	<u>192,594</u>

At the balance sheet date the academy trust was holding funds received in advance relating to capital grants, free school meal grants, parental contributions, trip income and rates relief, which relate to the 2016/17 academic year.

16. CREDITORS:
Amounts falling due after more than one year

	2016 £	2015 £
Other loans	<u>-</u>	<u>17,623</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	169,092	415,814	(220,625)	-	-	364,281
Restricted funds						
General Annual Grant (GAG)	814,242	7,786,586	(7,626,049)	(252,128)	-	722,651
Pupil premium	60,700	700,361	(761,061)	-	-	-
Other EFA income	29,845	500,150	(468,120)	2,787	-	64,662
Local Authority	86,081	676,541	(604,857)	-	-	157,765
Recharges	-	62,889	(161,163)	-	-	(98,274)
Parental contributions	6,027	118,678	(92,873)	-	-	31,832
Miscellaneous	-	115,779	(66,891)	-	-	48,888
Transfer from Local Authority	935,755	-	(140,000)	(45,957)	-	749,798
Pension reserve	(3,355,000)	-	(192,000)	-	(1,754,000)	(5,301,000)
	<u>(1,422,350)</u>	<u>9,960,984</u>	<u>(10,113,014)</u>	<u>(295,298)</u>	<u>(1,754,000)</u>	<u>(3,623,678)</u>
Restricted fixed asset funds						
Inherited fixed asset fund	21,554,088	-	(671,466)	-	-	20,882,622
Capital expenditure from other funds	437,017	-	(47,570)	370,707	-	760,154
Unspent capital grants	81,320	47,844	-	(75,409)	-	53,755
	<u>22,072,425</u>	<u>47,844</u>	<u>(719,036)</u>	<u>295,298</u>	<u>-</u>	<u>21,696,531</u>
Total restricted funds	<u>20,650,075</u>	<u>10,008,828</u>	<u>(10,832,050)</u>	<u>-</u>	<u>(1,754,000)</u>	<u>18,072,853</u>
Total of funds	<u>20,819,167</u>	<u>10,424,642</u>	<u>(11,052,675)</u>	<u>-</u>	<u>(1,754,000)</u>	<u>18,437,134</u>

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

Restricted general funds will be used for educational purposes in line with the academy trust's objects and its funding agreement with the EFA.

Restricted fixed assets funds amounting to £21,642,776 (2015 - £21,991,104) will be reserved against future depreciation charges. The balance of £53,755 (2015 - £81,321) relates to unspent capital grants.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on

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

the amount of GAG that it could carry forward at 31 August 2016.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Abington Vale Primary School	429,920	263,953
Ecton Brook Primary School	992,326	1,038,978
Headlands Primary School	246,709	577,122
Lings Primary School	164,021	191,256
Simon de Senlis Primary School	4,328	10,820
Central services	204,299	19,613
Total before fixed asset fund and pension reserve	2,041,603	2,101,742
Restricted fixed asset fund	21,696,531	22,072,425
Pension reserve	(5,301,000)	(3,355,000)
Total	18,437,134	20,819,167

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £	Total 2015 £
Abington Vale Primary School	967,326	128,636	194,249	190,783	1,480,994	1,292,603
Ecton Brook Primary School	1,882,776	233,362	533,021	450,989	3,100,148	3,055,224
Headlands Primary School	1,562,402	170,506	235,502	420,689	2,389,099	2,324,842
Lings Primary School	740,771	119,674	250,706	208,301	1,319,452	1,234,856
Simon de Senlis Primary School	1,333,279	91,696	203,769	247,945	1,876,689	766,231
Central services	-	-	162,020	7,141	169,161	96,690
	6,486,554	743,874	1,579,267	1,525,848	10,335,543	8,770,446

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	21,642,776	21,642,776	21,991,104
Current assets	364,281	2,588,141	53,755	3,006,177	3,138,743
Creditors due within one year	-	(910,819)	-	(910,819)	(938,057)
Creditors due in more than one year	-	-	-	-	(17,623)
Pension scheme liability	-	(5,301,000)	-	(5,301,000)	(3,355,000)
	<u>364,281</u>	<u>(3,623,678)</u>	<u>21,696,531</u>	<u>18,437,134</u>	<u>20,819,167</u>

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(628,033)	4,581,517
Adjustment for:		
Depreciation charges	717,132	630,996
Loss on the sale of fixed assets	1,904	-
Increase in debtors	(12,276)	(126,665)
(Decrease)/increase in creditors	(27,243)	366,708
Capital grants from DfE and other capital income	(47,844)	(105,151)
Defined benefit pension scheme obligation inherited	-	613,000
Defined benefit pension scheme cost less contributions payable	64,000	89,000
Defined benefit pension scheme finance cost	128,000	106,000
Fixed assets inherited	-	(3,896,738)
Fixed assets donated	-	(1,890,000)
Cash transferred on conversion to an academy trust	-	(57,433)
Net cash provided by operating activities	<u>195,640</u>	<u>311,234</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	2,532,596	2,677,435
Total	<u>2,532,596</u>	<u>2,677,435</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

21. 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 Northamptonshire County Council. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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21. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £592,190 (2015 - £424,269).

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 2016 was £528,000 (2015 - £433,000), of which employer's contributions totalled £424,000 (2015 - £345,000) and employees' contributions totalled £104,000 (2015 - £88,000). The agreed contribution rates for future years are between 19.5% and 24.6% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Expected return on scheme assets at 31 August	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.3	22.3
Females	24.3	24.3
Retiring in 20 years		
Males	24.0	24.0
Females	26.6	26.6

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21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	2,508,000	1,734,000
Debt instruments	671,000	470,000
Property	281,000	224,000
Cash	70,000	49,000
Total market value of assets	<u>3,530,000</u>	<u>2,477,000</u>

The actual return on scheme assets was £550,000 (2015 - £58,000).

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

	2016 £	2015 £
Net interest cost	(128,000)	(106,000)
Past service cost	-	(3,403)
Current service cost	(488,000)	(434,000)
Total	<u>(616,000)</u>	<u>(543,403)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	5,825,000	5,283,000
Interest cost	232,000	184,000
Contributions by employees	104,000	88,000
Actuarial losses/(gains)	2,200,000	(123,000)
Current service cost	488,000	434,000
Benefits paid	(25,000)	(41,000)
Closing defined benefit obligation	<u>8,824,000</u>	<u>5,825,000</u>

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21. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	2,477,000	2,021,000
Return on plan assets (excluding net interest on the net defined pension liability)	104,000	78,000
Actuarial gains and (losses)	446,000	(21,000)
Contributions by employer	424,000	345,000
Contributions by employees	104,000	88,000
Benefits paid	(25,000)	(34,000)
Closing fair value of scheme assets	<u>3,530,000</u>	<u>2,477,000</u>

22. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	412,712	421,352
Between 1 and 5 years	1,557,028	1,587,111
After more than 5 years	6,249,605	6,632,234
Total	<u>8,219,345</u>	<u>8,640,697</u>

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust'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 trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

The academy trust has entered into a partnership agreement with Weston Favell Church of England Primary School. During the period the academy trust invoiced Weston Favell Church of England Primary School £39,530 (2015 - £36,105) and was invoiced £2,165 (2015 - £442) by Weston Favell Church of England Primary School. At 31 August 2016 the academy trust was owed £470 (2015 - £450) from Weston Favell Church of England Primary School.

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24. MEMBERS' LIABILITY

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

25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		16,135,650	20,819,167
Total funds reported under FRS 102		<u>16,135,650</u>	<u>20,819,167</u>

Reconciliation of net income	Notes	31 August 2015 £
Net income previously reported under UK GAAP		4,617,517
Change in recognition of LGPS interest cost	A	(36,000)
Net movement in funds reported under FRS 102		<u>4,581,517</u>

Explanation of changes to previously reported funds and net income/expenditure:

- A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £36,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.