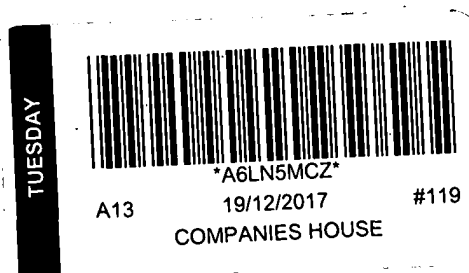


# REGISTRAR COPY

Registered number: 08172039

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

### **TRUSTEES' REPORT AND FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2017**



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

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

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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<b>Members</b>	Mr S Richards Mr T Covington (resigned 13 September 2017) Mr D McIntosh (resigned 6 June 2017) Mr P Hall-Jones Mr A White, Chair of Trustees
<b>Trustees/ Directors</b>	Ms J Kedwards, Strategic Director & Accounting Officer Mr A White, Chair of Trustees Mrs J Clarke Mr F Crookenden-Johnson Mrs U Dadley Rev D G Kirby Mr T Rees, Head Teacher Mr L Wolmarans, Head Teacher (resigned 31 July 2017)
<b>Company registered number</b>	08172039
<b>Company name</b>	Northampton Primary Academy Trust
<b>Principal and registered office</b>	Headlands Primary School Bushland Road Northampton Northamptonshire NN3 2NS
<b>Company secretary</b>	A Booth
<b>Senior management team</b>	Mr L Wolmarans, Head Teacher Ms S Heslop, Head Teacher 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
<b>Independent auditor</b>	MHA MacIntyre Hudson Chartered Accountants Peterbridge House The Lakes Northampton NN4 7HB
<b>Bankers</b>	Lloyds Bank plc PO Box 1000 Andover BX1 1LT

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

<b>Solicitors</b>	Browne Jacobson LLP 44 Castle Gate Nottingham NG1 7BJ
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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2017. 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 (NPAT) 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 included in the total insurance cost of £42,136.

**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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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**ORGANISATIONAL STRUCTURE**

The Trust comprises of 6 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. Rectory Farm Primary School joined the Trust in February 2017. 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, transaction 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 ESFA 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 six times per annum and the Executive Team meets on a weekly basis. The Head Teacher Operational Board meet fortnightly and the School Business Managers meet on a half-termly 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, Chief Executive Officer and performance management governors) pay recommendations within the recommended Local Authority wage band are sent to the relevant LGB along with evidence of targets met.

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 Head Teacher of the School is a member of the Head Teacher Operational Group and a Trustee from the School is a Trustee on the NPAT Board of Directors.

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.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

With responsibility for approximately 2,575 children across Northampton, the Trust 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 Trust 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 by using collaboration and innovation that brings together children, parents and staff.

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.

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees 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 Mind-set, 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.

**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 five 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. Rectory Farm Primary School joined the Trust as a sponsored School and its current Ofsted is Requires Improvement. Sustaining progress and ensuring best value for all NPAT Schools over the next 3 years, we aim to:



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## **NORTHAMPTON PRIMARY ACADEMY TRUST**

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

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- 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 Trustees, 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.

#### **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.

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**TRUSTEES REPORT**

This year has seen the Northampton Primary Academy Trust continue to make considerable progress with our Trust Improvement Plan, whilst retaining the core values that the Trust was originally built upon. In January Julia Kedwards was appointed as the Chief Executive Officer (CEO), in April Ian Sharpe was appointed as Chief Operations Officer (COO) and in July, Juliette Pierson was appointed as the Central Team Administrator. The additional capacity created by these roles will allow the Trust to continue with its improvement and growth plans whilst providing an even greater level of support to our schools. An Executive Team for the Trust has been formed to lead on Trust strategy. The team includes the CEO, COO and the Education Director, Tom Rees. The team reports directly to the Board of Trustees and are collectively responsible for delivering the Trust Improvement Strategy.

During the year the Trust was also successful with grant applications to the Department for Education. We have received £51,400 from the Sponsor Capacity Fund and £85,000 from the MAT Growth Fund. Both funds will be used to increase the Central Team capacity, support the development of a Trust Pupil Data system and contribute towards a new Financial Reporting system.

One of the most momentous decisions that has ever been taken in the short life of the Trust, has been taken during the reported year. In July the Board of Trustees, following a period of consultation with our schools, made the decision to change the Trust's approach to centralised funding. From September 2017 every school will contribute 5% of its GAG School Budget Share towards the centralised costs of the Trust. This funding will cover centralised costs met by the Trust on behalf of its schools, the Central Team salaries and operational costs.

Our work on governance has also gathered momentum. Following a more skills focused recruitment to the Board of Trustees we are now working much more closely with our Local Governing Bodies. We held a successful NPAT LGB Governance Conference in April which was attended by all of our schools. This provided a focus on governance for the whole Trust at all levels. The appointment of the COO will provide further support and development for Trust governance and allow a more consistent approach to be adopted.

Staff well-being has been a focus this year. A survey was carried out towards the end of the academic year that gave our staff, at all levels, the opportunity to comment anonymously on how they felt about working within their schools and the wider Trust. Although the results were generally very positive it has allowed us to focus our attention on key areas such as teacher work load and marking across the Trust.

Staff have also had the opportunity to experience education practice in other cultures during the year due to support from the Erasmus Programme. Several staff from across the Trust participated in an exciting trip to Finland during the year to understand how different teaching pedagogies may be used to enhance pupil outcomes within the Trust.

The Trust's ambition for all of its schools to be outstanding for Safeguarding and Behaviour continues to be a focus. During the year all schools have had an external Safeguarding audit. This provided the Board of Trustees with some valuable quality assurance regarding where our schools are regarding these important areas. Both audits highlighted strengths and areas for development to be actioned.

Rectory Farm joined the Trust in February 2017 as a sponsored school after a period of time working with us prior to officially joining. Although the school is currently Ofsted Requires Improvement, significant steps have been taken in improving standards at the school. Results in 2017 were encouraging and proved that the support the school has received has been effective. The Trust will continue to support the school as it continues on its journey of improvement.

The Trust Growth Plan is on track as it continues towards its current target of fifteen schools by 2020. In the spring of 2017 the DfE confirmed that the Trusts application to open our first Free School in the Duston area of

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

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Northampton Town had been successful. We are now working closely with the DfE on the development of this project and are looking forward to opening a new two form entry primary school in 2019. The Executive Team continue to have discussions with local schools who have expressed an interest in joining the Trust. We are working closely with several schools to ensure that all parties are comfortable with each other prior to any formal decisions being taken. At the DfE's request, the Trust are carefully considering their request to take on schools from another Trust where their schools are being rebrokered to new Trusts. The Board of Trustees see the growth of the Trust as a necessity. However, growth has to be considered carefully to ensure that the values and ethos of the Trust are maintained. There will have to be long lasting benefits to all of our existing schools from the new schools that join us.

The Trust's values continue to go from strength to strength. The work of our talented staff and extraordinary pupils continues to be recognised in many, many areas. Although the academic performance and progress of our pupils will always be our main focus, there has been many notable achievements outside of the classroom. Pupils from all of our schools had the opportunity to perform at the Royal Derngate Theatre in the NPAT production of Shakespeare's 'The Tempest' which was a truly magnificent production and will live long in the memory of all involved. On the sports field our pupils continue to participate in a varied range of sports and receive coaching of the highest standard not only from their own teachers but also professional sporting teams who compete at the highest of levels within their sport. Our desire for all of our pupils to learn a musical instrument during their primary school career continues to generate a range of future musicians who have had the opportunity to sing and perform in front of several appreciative audiences throughout the year. We clearly do have extraordinary children doing extraordinary things.

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**STRATEGIC DIRECTORS REPORT**

**Attainment and Progress July 2017**

School	Abington Vale	Ecton Brook	Headlands	Lings	Simon De Senlis	Weston Favell	Rectory Farm	National Average 2017	NPAT Average 2017
<b>KS2 Reading</b>	70%	59%	62% (64%)	30%	63% (67%)	78%	48%	71%	59%
<b>KS2 Writing</b>	83%	88%	72% (76%)	73%	70% (73%)	85%	44%	76%	74%
<b>KS2 Maths</b>	72%	66%	62% (64%)	30%	67% (70%)	80%	55%	75%	62%
<b>KS2 GPS</b>	90%	70%	69% (72%)	37%	63% (67%)	85%	52%	77%	67%
<b>KS2 R/W/M combined</b>	62%	52%	55% (57%)	23%	59% (62%)	70%	41%	61%	52%

Key: Brackets = results not including Special Unit pupils

This year has been a challenging year for the Trust for overall data outcomes by the end of KS2. Collectively NPAT schools were below National Average in all subjects and in reading, writing and maths combined. However, Weston Favell, Abington Vale and Simon de Senlis were at National Average or above in reading, writing and maths combined. Our analysis of the data shows that the low but improving position at Rectory Farm, along with lower outcomes at Ecton Brook and extremely low at Lings have contributed towards this overall picture. Progress measures in all schools are below our high expectations but comfortably within floor with the exception of maths at Lings.

Our KS1 outcomes across the board are better. In Year 1 phonics our combined result as a Trust was 84% which is 3% above National Average. Outcomes at the end of KS1 in writing and maths are average with reading 3 % below National Average. Outcomes at the end of EYFS are average across the Trust at 70% GLD.

The Trust are now working on strategies to improve results across the Trust with a particular focus on rapid improvement at Lings Primary School.

Combined attendance of pupils across the Trust remains above national expectation at 96.3%.

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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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.

Performance indicator	MAT National average	AVPS	EBPS	HPS	LPS	RFPS	SDS
Staff as % of total expenditure	72.2	71.1	72.8	71.7	65.3	73.8	74.3
Teaching staff salary per pupil	1983.00	1752.85	2320.88	2206.53	1903.92	2318.10	2233.97
Non teaching staff salary per pupil	1134.00	1136.49	1344.03	1930.96	1240.38	1564.85	1192.77
Energy costs per pupil	65.00	48.61	55.43	62.39	48.89	48.66	50.41
Technology cost per pupil	70.00	59.37	68.43	74.04	30.92	10.22	51.39
T & D as % of total expenditure	0.6	0.7	0.3	0.6	0.4	1.6	1.5
Curriculum costs as % of total exp.	2.6	1.7	3.9	2.9	2.5	2.1	1.9
PFI Cost		86,855	197,810		120,544	41,017	111,025
Supply Cost		14,806	37,191	76,317	1,520	8,555	41,387

**GOING CONCERN**

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

**FINANCIAL REVIEW**

Most of the Academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (ESFA), the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2017 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 ESFA 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 2017, total expenditure of £11,992,998 (2016 - £10,333,639) (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 £558,063 (2016 - excess of income over expenditure £43,159).

At 31 August 2017 the net book value of fixed assets was £25,182,033 (2016 - £21,642,776) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Part of the expenditure included investment into external support to focus on numeracy and literacy

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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development across the schools, and the board of trustees monitor the effectiveness of this expenditure on a regular basis.

At 31 August 2017 the pension scheme deficit was £4,018,000 (2016 - £5,301,000). The employer's contribution rate will be adjusted to reflect the increase in the pension deficit.

**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.

**Purposes**

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements.
- To ensure there is no risk of loss in capital value of any cash funds invested.
- To protect the capital value of any invested funds against inflation.
- To optimise returns on invested funds.

**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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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 LGB meetings and expenditure from reserves are approved by the LGB.

At 31 August 2017 the total funds comprised:

Unrestricted		480,364
Restricted:	Fixed asset funds	25,182,695
	Pension Reserve	(4,018,000)
	Other	1,122,461
		<hr/>
		22,767,520
		<hr/>

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

Through the Academy's risk management procedures, it has considered its Head Teacher risks and uncertainties and planned mitigating action wherever possible. The Head Teacher 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 further like-minded Schools or Academies to join or partner the Trust;
- The recruitment of additional Central Team roles to support school improvement, governance and business and finance developments;
- Increased pooling of resources and supplier rationalisation to unlock future value;
- Review governance structure to improve strategic development of the Trust and its LGBs;
- Continue to 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.

**Strategic report**

**DISCLOSURE OF INFORMATION TO AUDITOR**

Insofar as the trustees are aware:

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



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

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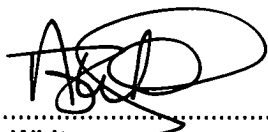
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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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.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2017 and signed on its behalf by:



.....  
**Mr A White**  
**Chair of Trustees**

---

**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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
Mr A White, Chair of Trustees	6	6
Ms J Kedwards, Strategic Director & Accounting Officer	6	6
Mr L Wolmarans, Head Teacher (resigned 31 July 2017)	6	6
Rev D G Kirby	5	6
Mr F Crookenden-Johnson	5	6
Mr T Rees, Head Teacher	6	6
Mrs J Clarke	4	6
Mrs U Dadley	5	6

**REVIEW OF VALUE FOR MONEY**

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

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

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**Targeted improvement**

The Academy Trust's Head Teacher 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 will continue to be targeted in 2017-18.

**Initiatives**

The Chief Executive Officer'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 focusses on the attainment and development of all pupils;
- The setting of performance management targets by the Chief Executive Officer for all Trust Head Teachers with their local governing Bodies;
- Pupil premium pupil achievements continue to be an improvement from previous year attainments.

The Chief Operations Officer for NPAT oversees the business and finance 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.

**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.

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.

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

The Academy 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 School Business Managers of each School within the Academy Trust to perform peer review. As the Trust grows, Trustees will review the need for internal audit during for the 2017-18 financial year.

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;

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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- Testing of HR & payroll systems.
- Testing of safeguarding requirements
- Testing of governance documentation
- Testing of ESFA & 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.

**REVIEW OF EFFECTIVENESS**

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

- the work of the Responsible Officer;
- 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 December 2017 and signed on their behalf, by:

  
.....  
**Mr A White**  
**Chair of Trustees**

  
.....  
**Ms J Kedwards**  
**Accounting Officer**

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Northampton Primary Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

  
.....  
**Ms J Kedwards**  
**Accounting Officer**

Date: 14 December 2017

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

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

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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:

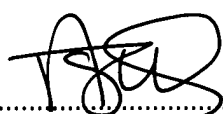
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2017 and signed on its behalf by:

  
.....  
**Mr A White**  
**Chair of Trustees**

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

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

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**OPINION**

We have audited the financial statements of Northampton Primary Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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



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

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**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' responsibilities statement, set out on page 21, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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

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

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concern basis of accounting unless the trustees either intend to liquidate the academy trust's or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

*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

14 December 2017

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**NORTHAMPTON PRIMARY ACADEMY TRUST**

(A company limited by guarantee)

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

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In accordance with the terms of our engagement letter dated 7 July 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northampton Primary Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Northampton Primary Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Northampton Primary Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Northampton Primary Academy Trust and the ESFA, 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA MacIntyre Hudson*

**MHA MacIntyre Hudson**

Chartered Accountants

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

14 December 2017

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

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Transfer from local authority on conversion	2	-	(311,000)	3,667,886	3,356,886	-
Donations and capital grants	2	394,200	47,015	45,097	486,312	406,607
Charitable activities	5	-	11,182,065	-	11,182,065	9,804,513
Other trading activities	3	120,213	-	-	120,213	207,366
Investments	4	2,442	-	-	2,442	6,156
<b>TOTAL INCOME</b>		<b>516,855</b>	<b>10,918,080</b>	<b>3,712,983</b>	<b>15,147,918</b>	<b>10,424,642</b>
<b>EXPENDITURE ON:</b>						
Raising funds		391,256	238,655	-	629,911	557,308
Charitable activities:						
Other charitable activities		-	11,363,087	841,534	12,204,621	10,495,367
<b>TOTAL EXPENDITURE</b>	6	<b>391,256</b>	<b>11,601,742</b>	<b>841,534</b>	<b>12,834,532</b>	<b>11,052,675</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>125,599</b>	<b>(683,662)</b>	<b>2,871,449</b>	<b>2,313,386</b>	<b>(628,033)</b>
Transfers between Funds	16	(9,516)	(605,199)	614,715	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>116,083</b>	<b>(1,288,861)</b>	<b>3,486,164</b>	<b>2,313,386</b>	<b>(628,033)</b>
Actuarial gains/(losses) on defined benefit pension schemes	22	-	2,017,000	-	2,017,000	(1,754,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>116,083</b>	<b>728,139</b>	<b>3,486,164</b>	<b>4,330,386</b>	<b>(2,382,033)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		364,281	(3,623,678)	21,696,531	18,437,134	20,819,167
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>480,364</b>	<b>(2,895,539)</b>	<b>25,182,695</b>	<b>22,767,520</b>	<b>18,437,134</b>

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

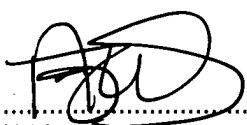
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**BALANCE SHEET  
AS AT 31 AUGUST 2017**

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	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		25,182,033		21,642,776
<b>CURRENT ASSETS</b>					
Debtors	14	697,953		473,581	
Cash at bank and in hand		2,025,222		2,532,596	
		<u>2,723,175</u>		<u>3,006,177</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(1,119,688)		(910,819)	
<b>NET CURRENT ASSETS</b>			<u>1,603,487</u>		<u>2,095,358</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>26,785,520</u>		<u>23,738,134</u>
Defined benefit pension scheme liability	22		(4,018,000)		(5,301,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>22,767,520</u></u>		<u><u>18,437,134</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Fixed asset fund:					
Restricted income funds	16	1,122,461		1,677,322	
Restricted fixed asset funds	16	25,182,695		21,696,531	
		<u>26,305,156</u>		<u>23,373,853</u>	
Restricted income funds excluding pension liability					
Pension reserve		(4,018,000)		(5,301,000)	
		<u>22,287,156</u>		<u>18,072,853</u>	
Total fixed asset fund					
Unrestricted income funds	16		480,364		364,281
<b>TOTAL FUNDS</b>			<u><u>22,767,520</u></u>		<u><u>18,437,134</u></u>

The financial statements on pages 27 to 53 were approved by the trustees, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

  
.....  
**Mr A White**  
**Chair of Trustees**

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<u>178,062</u>	<u>195,640</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(712,905)	(370,705)
Capital grants from DfE/ESFA		<u>45,097</u>	<u>47,844</u>
<b>Net cash used in investing activities</b>		<u>(667,808)</u>	<u>(322,861)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(17,628)	(17,618)
<b>Net cash used in financing activities</b>		<u>(17,628)</u>	<u>(17,618)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(507,374)</b>	<b>(144,839)</b>
Cash and cash equivalents brought forward		<u>2,532,596</u>	<u>2,677,435</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>2,025,222</u></u>	<u><u>2,532,596</u></u>

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of Preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Going Concern**

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



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

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

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

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

**Sponsorship Income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be reliably measured.

**Donations**

Donations are recognised on a receivable basis where receipt is probable 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.

**Transfer on conversion**

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

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

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**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 appointed to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible Fixed Assets**

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 and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold property	-	2-3% straight line
Leasehold property	-	2-3% straight line
Leasehold land	-	0.8% straight line
Office equipment	-	15% straight line
Computer equipment	-	33% straight line

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

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**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.

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 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.

**1.11 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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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.12 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.13 Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Fund Accounting**

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

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

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

**1.15 Conversion to an Academy Trust**

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

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

Further details of the transaction are set out in note 20.

**1.16 Critical accounting estimates and areas of judgment**

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

**Critical accounting estimates and assumptions**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from local authority on conversion	-	(311,000)	3,667,886	3,356,886	-
Donations	394,200	47,015	-	441,215	358,763
Capital Grants	-	-	45,097	45,097	47,844
Subtotal	394,200	47,015	45,097	486,312	406,607
	394,200	(263,985)	3,712,983	3,843,198	406,607
Total 2016	240,085	118,678	47,844	406,607	

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Catering income	23,585	-	23,585	17,762
Lettings income	96,628	-	96,628	85,794
Recharge income	-	-	-	103,810
	120,213	-	120,213	207,366
Total 2016	169,573	37,793	207,366	

**4. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest receivable	2,442	-	2,442	6,156
Total 2016	6,156	-	6,156	

**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**5. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	8,553,882	8,553,882	7,786,582
Other DfE/ESFA grants	-	1,428,900	1,428,900	1,200,511
	-	9,982,782	9,982,782	8,987,093
<b>Other government grants</b>				
Local authority grants	-	870,935	870,935	676,541
	-	870,935	870,935	676,541
<b>Other funding</b>				
Other income	-	328,348	328,348	140,879
	-	328,348	328,348	140,879
	-	11,182,065	11,182,065	9,804,513
<i>Total 2016</i>	-	9,804,513	9,804,513	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	104,668	-	456,814	561,482	396,860
Expenditure on fundraising trading	3,785	-	64,644	68,429	56,638
Academy's educational operations:					
Direct costs	7,618,241	-	763,436	8,381,677	7,449,490
Allocated support costs	937,655	1,372,865	1,512,424	3,822,944	3,149,687
	8,664,349	1,372,865	2,797,318	12,834,532	11,052,675
<i>Total 2016</i>	7,230,428	1,022,277	2,799,970	11,052,675	



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

**7. CHARITABLE ACTIVITIES**

	Direct costs 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational operations	8,381,677	3,822,944	12,204,621	10,599,177
<i>Total 2016</i>	7,449,490	3,149,687	10,599,177	

**Analysis of support costs**

	2017 £	2016 £
Support staff costs	937,655	574,979
Depreciation	841,534	717,132
Technology costs	104,437	113,171
Premises costs	469,969	305,145
Other support costs	1,411,596	1,403,794
Governance costs	57,753	35,466
<b>Total support costs</b>	<b>3,822,944</b>	<b>3,149,687</b>

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	841,534	717,129
Fees payable to auditor for - audit	17,500	17,500
Fees payable to auditor for - other services	13,100	13,100
Operating lease rentals	412,472	417,383
Loss on disposal of fixed assets	-	1,904

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

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**9. STAFF COSTS**

**Staff costs**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	6,498,216	5,609,437
Social security costs	521,625	395,140
Operating costs of defined benefit pension schemes	1,457,791	1,082,632
	<hr/>	<hr/>
	8,477,632	7,087,209
Apprenticeship levy	6,700	-
Supply teacher costs	180,017	143,219
	<hr/>	<hr/>
	8,664,349	7,230,428
	<hr/>	<hr/>

**Staff numbers**

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

	2017 No.	2016 No.
Teachers	101	99
Administration and support	234	216
Management	23	18
	<hr/>	<hr/>
	358	333
	<hr/>	<hr/>

**Higher paid staff**

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	4	3

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2017, pension contributions for these staff amounted to £80,961 (2016 - £67,093).

**Key management personnel**

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 £1,350,613 (2016: £1,327,045).

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**NORTHAMPTON PRIMARY ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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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:

An amount of £75 per pupil, and recharges are made at cost

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Abington Vale Primary School	30,242	28,765
Ecton Brook Primary School	48,465	46,758
Headlands Primary School	33,364	1,947
Lings Primary School	22,322	19,263
Simon de Senlis Primary School	33,845	36,769
Rectory Farm Primary School	14,560	-
Total	<u>182,798</u>	<u>133,502</u>

**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:

		2017 £	2016 £
Ms J Kedwards, Strategic Director & Accounting Officer	Remuneration	75,000-80,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr T Rees, Head Teacher	Remuneration	70,000-75,000	65,000-70,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr L Wolmarans, Head Teacher	Remuneration	70,000-75,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr A Lakatos	Remuneration	N/A	10,000-15,000
	Pension contributions paid	N/A	0-5,000

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

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

**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 2017 was included in the total insurance cost of £42,136 (2016 - £60,460).

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Leasehold property £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	4,389,707	17,927,855	806,137	909,523	24,033,222
Additions	-	285,395	345,604	81,906	712,905
Inherited on conversion	-	3,667,886	-	-	3,667,886
At 31 August 2017	4,389,707	21,881,136	1,151,741	991,429	28,414,013
<b>Depreciation</b>					
At 1 September 2016	374,057	1,087,035	313,691	615,663	2,390,446
Charge for the year	98,469	443,005	140,974	159,086	841,534
At 31 August 2017	472,526	1,530,040	454,665	774,749	3,231,980
<b>Net book value</b>					
At 31 August 2017	3,917,181	20,351,096	697,076	216,680	25,182,033
At 31 August 2016	4,015,650	16,840,820	492,446	293,860	21,642,776

**14. DEBTORS**

	2017 £	2016 £
Trade debtors	16,156	21,484
VAT repayable	215,975	152,482
Prepayments and accrued income	465,822	299,615
	<u>697,953</u>	<u>473,581</u>

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

**15. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Other loans	-	17,628
Trade creditors	117,501	10,662
Other taxation and social security	126,841	116,189
Pension creditors	143,943	192,370
Accruals and deferred income	731,403	573,970
	<u>1,119,688</u>	<u>910,819</u>
	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	189,773	192,594
Resources deferred during the year	298,221	189,773
Amounts released from previous years	(189,773)	(192,594)
Deferred income at 31 August 2017	<u>298,221</u>	<u>189,773</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 2017/18 academic year.

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General Funds	364,281	516,855	(391,256)	(9,516)	-	480,364
<b>Restricted funds</b>						
General Annual Grant (GAG)	722,651	8,553,882	(8,350,047)	(593,928)	-	332,558
Pupil premium	-	770,510	(839,919)	73,599	-	4,190
Other DfE/ESFA income	64,662	659,528	(415,172)	2,853	-	311,871
Local Authority	157,765	870,935	(989,774)	-	-	38,926
Recharges	(98,274)	98,363	(219,594)	-	-	(219,505)
Parental contributions	31,832	47,018	(115,602)	42,200	-	5,448
Miscellaneous	48,888	228,844	(125,581)	(14,634)	-	137,517
Transfer from Local Authority	749,798	-	(123,053)	(115,289)	-	511,456
Pension reserve	(5,301,000)	(311,000)	(423,000)	-	2,017,000	(4,018,000)
	<u>(3,623,678)</u>	<u>10,918,080</u>	<u>(11,601,742)</u>	<u>(605,199)</u>	<u>2,017,000</u>	<u>(2,895,539)</u>
<b>Restricted fixed asset funds</b>						
Inherited fixed asset fund	20,882,622	3,667,886	(808,511)	-	-	23,741,997
Capital expenditure from other funds	760,154	-	(33,023)	712,909	-	1,440,040
Unspent capital grants	53,755	45,097	-	(98,194)	-	658
	<u>21,696,531</u>	<u>3,712,983</u>	<u>(841,534)</u>	<u>614,715</u>	<u>-</u>	<u>25,182,695</u>
Total restricted funds	<u>18,072,853</u>	<u>14,631,063</u>	<u>(12,443,276)</u>	<u>9,516</u>	<u>2,017,000</u>	<u>22,287,156</u>
Total of funds	<u>18,437,134</u>	<u>15,147,918</u>	<u>(12,834,532)</u>	<u>-</u>	<u>2,017,000</u>	<u>22,767,520</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
General Funds	169,092	415,814	(220,625)	-	-	364,281
	<u>169,092</u>	<u>415,814</u>	<u>(220,625)</u>	<u>-</u>	<u>-</u>	<u>364,281</u>

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**16. STATEMENT OF FUNDS (continued)**

**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 DfE/ESFA 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 ESFA.

Restricted fixed assets funds amounting to £25,182,033 (2016 - £21,642,776) will be reserved against future depreciation charges. The balance of £662 (2016 - £53,755) relates to unspent capital grants.

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

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**16. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Abington Vale Primary School	190,598	429,920
Ecton Brook Primary School	682,090	992,326
Headlands Primary School	192,939	246,709
Lings Primary School	160,198	164,021
Simon de Senlis Primary School	63,545	4,328
Rectory Farm Primary School	19,872	-
Central services	293,583	204,299
Total before fixed asset fund and pension reserve	<u>1,602,825</u>	<u>2,041,603</u>
Restricted fixed asset fund	25,182,695	21,696,531
Pension reserve	(4,018,000)	(5,301,000)
Total	<u><u>22,767,520</u></u>	<u><u>18,437,134</u></u>

**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 deprn £	Total 2017 £	Total 2016 £
Abington Vale Primary School	1,137,197	170,154	39,349	424,369	1,771,069	1,480,994
Ecton Brook Primary School	2,206,339	185,630	127,183	760,068	3,279,220	3,100,148
Headlands Primary School	1,651,580	333,649	83,450	570,442	2,639,121	2,389,099
Lings Primary School	874,642	128,511	37,730	434,886	1,475,769	1,319,452
Simon de Senlis Primary School	1,383,176	108,905	43,225	423,039	1,958,345	1,876,689
Rectory Farm Primary School	455,631	28,935	14,099	148,218	646,883	-
Central services	-	-	15,839	206,752	222,591	169,161
	<u><u>7,708,565</u></u>	<u><u>955,784</u></u>	<u><u>360,875</u></u>	<u><u>2,967,774</u></u>	<u><u>11,992,998</u></u>	<u><u>10,335,543</u></u>



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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	25,182,033	25,182,033
Current assets	480,364	2,242,149	662	2,723,175
Creditors due within one year	-	(1,119,688)	-	(1,119,688)
Pension scheme liability	-	(4,018,000)	-	(4,018,000)
	<u>480,364</u>	<u>(2,895,539)</u>	<u>25,182,695</u>	<u>22,767,520</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	21,642,776	21,642,776
Current assets	364,281	2,588,141	53,755	3,006,177
Creditors due within one year	-	(910,819)	-	(910,819)
Pension scheme liability	-	(5,301,000)	-	(5,301,000)
	<u>364,281</u>	<u>(3,623,678)</u>	<u>21,696,531</u>	<u>18,437,134</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,313,386	(628,033)
<b>Adjustment for:</b>		
Depreciation charges	841,534	717,132
Loss on the sale of fixed assets	-	1,904
Increase in debtors	(224,372)	(12,276)
Increase/(decrease) in creditors	226,497	(27,243)
Capital grants from DfE and other capital income	(45,097)	(47,844)
Defined benefit pension scheme cost less contributions payable	302,000	64,000
Defined benefit pension scheme finance cost	121,000	128,000
Net gain on assets and liabilities from local authority on conversion	311,000	-
Fixed assets inherited	(3,667,886)	-
<b>Net cash provided by operating activities</b>	<u>178,062</u>	<u>195,640</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	2,025,222	2,532,596
Total	<u>2,025,222</u>	<u>2,532,596</u>

**20. CONVERSION TO AN ACADEMY TRUST**

On 1 February 2017 Rectory Farm Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Northampton Primary Academy Trust from Northamptonshire County Council for £nil consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	3,667,886	3,667,886
LGPS pension surplus/(deficit)	-	(311,000)	-	(311,000)
Net assets/(liabilities)	<u>-</u>	<u>(311,000)</u>	<u>3,667,886</u>	<u>3,356,886</u>

**21. CONTINGENT LIABILITIES**

On conversion to an Academy Trust, Rectory Farm Primary School had an outstanding balance with Northamptonshire County Council. As at the date of signing these accounts the final balance has not been agreed. It is expected to be agreed and settled during the next financial accounting period.

**22. 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 2016.

Contributions amounting to £143,948 were payable to the schemes at 31 August 2017 (2016 - 121,340) and are included within creditors.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £640,604 (2016 - £592,190).

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](http://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

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**22. PENSION COMMITMENTS (continued)**

set out above the information available on the scheme.

**Scheme Changes**

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £651,000 (2016 - £528,000), of which employer's contributions totalled £524,000 (2016 - £424,000) and employees' contributions totalled £127,000 (2016 - £104,000). 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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Expected return on scheme assets at 31 August	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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**22. PENSION COMMITMENTS (continued)**

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

	2017	2016
Retiring today		
Males	22.1	22.3
Females	24.2	24.3
Retiring in 20 years		
Males	23.9	24.0
Females	26.1	26.6

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.5%	5,058,000	6,489,000
Discount rate -0.5%	2,978,000	4,113,000
Salary increase rate +0.5%	4,179,000	5,748,000
Salary increase rate -0.5%	3,857,000	4,854,000
Pension increase rate +0.5%	4,881,000	5,999,000
Pension increase rate -0.5%	3,155,000	4,603,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,868,000	2,508,000
Corporate bonds	620,000	671,000
Property	272,000	281,000
Cash and other liquid assets	116,000	70,000
Total market value of assets	<u>3,876,000</u>	<u>3,530,000</u>

The actual return on scheme assets was £-366,000 (2016 - £550,000).

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**22. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Interest income	81,000	104,000
Interest cost	(202,000)	(232,000)
Total	<u>(121,000)</u>	<u>(128,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	8,831,000	5,832,000
Upon conversion	421,000	-
Interest cost	202,000	232,000
Employee contributions	127,000	104,000
Actuarial (gains)/losses	(2,464,000)	2,200,000
Gains on curtailments	(49,000)	(25,000)
Current service cost	826,000	488,000
Closing defined benefit obligation	<u>7,894,000</u>	<u>8,831,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	3,530,000	2,477,000
Upon conversion	110,000	-
Interest income	81,000	104,000
Actuarial gains/(losses)	(447,000)	446,000
Employer contributions	524,000	424,000
Employee contributions	127,000	104,000
Benefits paid	(49,000)	(25,000)
Closing fair value of scheme assets	<u>3,876,000</u>	<u>3,530,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	525,567	412,712
Between 1 and 5 years	2,015,732	1,557,028
After more than 5 years	7,548,195	6,249,605
<b>Total</b>	<b>10,089,494</b>	<b>8,219,345</b>

**24. 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 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 £59,892 (2016 - £39,530) and was invoiced £16,800 (2016 - £2,165) by Weston Favell Church of England Primary School. At 31 August 2017 the Academy Trust was owed £nil (2016 - £470) from Weston Favell Church of England Primary School.

**25. MEMBERS' LIABILITY**

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