

REGISTRAR COPY

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 15
Governance statement	16 - 19
Statement on regularity, propriety and compliance	20
Statement of trustees' responsibilities	21
Independent auditor's report on the financial statements	22 - 24
Independent reporting accountant's assurance report on regularity	25 - 26
Statement of financial activities incorporating income and expenditure account	27
Balance sheet	28
Statement of cash flows	29
Notes to the financial statements	30 - 58

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members
Mr S Richards
Mr C Malpas (appointed 28 March 2018)
Mrs C Fazackerley (appointed 21 March 2018, resigned 19 November 2018)
Mr P Hall-Jones
Mr A White, Chair of Trustees

Trustees/ Directors
Ms J Kedwards, CEO & Accounting Officer
Mr A White, Chair of Trustees
Mrs J Clarke
Mr F Crookenden-Johnson (resigned 14 December 2017)
Mrs U Dadley
Rev D G Kirby (resigned 27 October 2018)
Mr T Rees, Executive Head Teacher and p/t Education Director
Mr G Smith (appointed 14 December 2017)
Mr S Lock (appointed 11 January 2018)
Mr J Fazackerley (appointed 12 November 2018)
Mr N Wilson (appointed 28 September 2018)

Company registered number
08172039

Company name
Northampton Primary Academy Trust

Principal and registered office
Headlands Primary School
Bushland Road
Northampton
Northamptonshire
NN3 2NS

Company secretary
Mrs A Booth

Senior management team
Ms L Cichuta
Mr M Rapps (Appointed 1 June 2018)
Mrs B Williams (Appointed 1 September 2018)
Mrs R Arundel (Appointed 1 November 2017)
Mrs D Archer
Mr N Woods
Mr D Smith
Mr L Wolmarans (Resigned 18 February 2018)
Mrs J Ramshaw (Appointed 19 February 2018)
Mr M Bushell (Appointed 1 April 2018)
Miss E Jacox (Appointed 1 April 2018)
Mr T Rees
Ms J Kedwards
Mr I Sharpe
Ms S Heslop
Mrs J Fennelly (Appointed 1 April 2018)
Mrs M Dunckley (Appointed 1 June 2018)
Mrs S Gardener (Appointed 1 April 2018, Resigned 31 August 2018)
Mrs C Searing (Appointed 1 September 2018)

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Independent auditor MHA MacIntyre Hudson
Chartered Accountants
Peterbridge House
The Lakes
Northampton
NN4 7HB

Bankers Lloyds Bank plc
PO Box 1000
Andover
BX1 1LT

Solicitors Browne Jacobson LLP
Castle Meadow Road
Nottingham
NG2 1BJ

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates an Academy for pupils aged 4-11 serving a catchment area in Northampton. It has a pupil capacity of 4,160 and had a roll of 3,895 in the last School census on 17 May 2018.

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 £68,838.

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 skilled professionals from the field of education and the private sector.

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.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

ORGANISATIONAL STRUCTURE

The Trust comprises of 10 primary Schools: Abington Vale Primary School, Ecton Brook Primary School, Lings Primary School, Headlands Primary School, Simon De Senlis Primary School, Rectory Farm Primary School and East Hunsbury Primary School, Upton Meadows Primary School, Blackthorn Primary School and Thorplands Primary School joined the Trust within the reporting year. The Trust continues its 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 as a full board and the Business and Finance committee once per term. The Central 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 Chief Executive Officer is the Accounting Officer as required by the Funding Agreement with the DFE.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

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 pay recommendations within the recommended salary scales are sent to the relevant LGB Pay Award committee along with evidence of targets met. Head Teacher performance management takes place with an external advisor, the NPAT CEO and LGB representatives.

TRADE UNION FACILITY TIME

There were no employees who were relevant union officials during the relevant period.

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 principal 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 broad and balanced curriculum;
- To work together with professionalism, integrity and trust to achieve quality provision for all.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

OBJECTIVES, STRATEGIES AND ACTIVITIES

With responsibility for approximately 4200 children across Northampton, the Trust is driven by our aspirational vision: **to achieve educational excellence, create opportunities and enrich lives.**

To achieve this, our mission is to develop a multi-academy trust of highly effective and sustainable schools.

NPAT schools are underpinned by the following **NPAT Values**:

Aspiration & Ambition: Every child to achieve their best, every school a great school and every individual a better version of themselves.

Working Together: Achieving more through collaboration and cooperation. My school is your school; your children are 'our' children.

Integrity: A sense of moral purpose and open and honest working. Do all the good you can, in all the ways you can, as long as ever you can.

Community: Schools at the heart of their community, working together for educational excellence across Northamptonshire.

Creativity and Innovation: thinking differently about the future whilst building on the past.

Sports and the Arts: A genuine commitment to participation and excellence in sport and the arts.

Our ambition is captured in our motto: **'Achieving Extraordinary Things'**.

Trust development priorities for Northampton Primary Academy Trust 2018-19 are as follows:

1. Embed the NPAT Vision and Values across all stakeholders in the trust to ensure that everyone fully understands and appreciates the benefits of being part of a multi-academy trust.
2. To further achieve cost/time efficiencies, economies of scale and comprehensive compliance of all statutory duties through the development of centralised systems, procedures and processes.
3. To ensure effective governance by providing appropriate NPAT CPD clear lines of responsibility and accountability, robust risk management and statutory compliance processes and accurate reporting to the Board of Directors.
4. To ensure that the trust is effective and sustainable through a controlled growth plan to increase schools/pupil numbers to approximately 15-20 schools (6,000 – 8,000 pupils) by 2022 whilst ensuring that schools joining the trust are given appropriate support to improve and embed NPAT systems.
5. To recruit, train and retain the highest calibre of staff to NPAT schools keeping turnover healthy, staff absence low and morale high so that every class is staffed with a good, qualified teacher and every school is led by an experienced and qualified leader.
6. To ensure that each trust school is demonstrating improvement, raising the attainment of disadvantaged pupils and is graded as good or outstanding by OFSTED.
7. To develop curriculum provision across trust schools, ensuring all children within NPAT have access to a broad, rich and rigorous curriculum.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

PUBLIC BENEFIT

The 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.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

This year much has been achieved in Northampton Primary Academy Trust. The number of schools has grown from seven to eleven, the Central Team capacity has increased, and the Trust is now responsible for 4,105 pupils and over 700 staff and volunteers (including our partnership school Weston Favell).

In November 2017 we welcomed East Hunsbury Primary, a 2FE school with a Specialist Unit for forty children with Significant Learning Difficulties. In April 2018 Upton Meadows Primary, also a 2FE school, joined the Trust and in June 2018 Blackthorn Primary, a 2FE, and Thorplands Primary, 1FE, were rebrokered into NPAT from The Education Fellowship Trust (TEFT). The addition of these schools exceeded our planned growth for the year of only two schools. The Department for Education felt that our Trust had the capacity to support the former TEFT schools and bring about the much needed change required at both schools to enable them to flourish further. In March we acquired the Pavilion Pre-School which was previously run as a charity. The pre-school is now run as part of Abington Vale Primary School and we are seeing collaborative working between the EYFS staff to enable these young children being fully prepared for school life. The Free School project moved slowly throughout the year due to complexities with acquiring a site. The acquisition was almost complete by the year end and the school has a target date for opening of September 2021.

The Central Team grew to ten members of staff throughout the reporting year. The capacity of the Executive Team increased when the Education Director moved from 0.4 to 0.8 FTE. The central admin function increased when Michelle Bainbridge and Michelle Nock joined the team in the summer term. Karen Ransome joined the Business and Finance team as Financial Controller in April. Paul Dredge joined us as ICT Development Manager in July 2018. In June 2018 work was completed on the Central Team's office expansion to accommodate the team for now and the future.

The Trust faced many challenges throughout the year, but the start of the year saw its biggest challenge since formation. Lings Primary School, a founder school in the Trust, achieved unacceptable Key Stage 2 outcomes in KS2 Reading/Writing/Maths with 23% combined. This followed a combined outcome of only 30% in the previous year. In early September the Local Governing Body (LGB) was removed by the Trust and replaced with an Academy Improvement Board (AIB) made up of educational professionals. In February 2018 the Head Teacher resigned to pursue other interests. Mrs Jill Ramshaw, Head Teacher at Weston Favell CE Primary School, took on the role of Executive Head Teacher at Lings supported by two internally appointed Heads of School. With the support of the NPAT Central Team, the standards at the school started to improve in all areas which resulted in a Reading/Writing/Maths combined outcome of 50% in the 2018 Key Stage 2 results. Although still below National Average, the school showed great determination to turn standards around for its pupils and should be proud of the improvement they achieved in a short space of time. The Situation at Lings has been a catalyst to improve the Trust's school improvement functions including rigorous school improvement strategy, the introduction of standardized assessment practices, tighter local governance and trust-led leadership development and training for Senior Leaders and staff at all levels.

The financial year saw the central contribution increase to 5% of GAG School Budget Share from all of the Trust's schools. This increased funding covers Central Team staff salaries, services provided for the schools,

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

employer responsibilities and costs associated with the Trust meeting its requirements regarding statutory compliance. In addition to the central contribution the Trust was successful in bids for grant funding from the ESFA. Successes included £100,000 from the MAT Development Improvement Fund (MDIF) for providing School Improvement and Data Management staff support to our schools. We also received a capital grant of £350,000 from the Condition Improvement Fund (CIF) to address issues at East Hunsbury and Headlands Primary Schools. Additional funding was also received from the ESFA as part of the rebrokerage of Blackthorn Primary School from TEFT into NPAT. Towards the end of the year the Trust also invested in a new finance system to ensure even greater financial clarity in our use of public funds.

One of the successes of the year has been the developments with governance across the Trust at all levels. Graham Smith, a Change Management Consultant, and Stuart Lock, CEO Advantage Schools, joined the NPAT Board of Directors. The Central Team is working more closely with governance at school level and has developed a range of standardised templates to support our governors with the valuable work they do. A Chair of Governors forum has been created to discuss governance across the Trust and ensure we work with our volunteers effectively. Governor training has been taken in house and has covered a range of topics throughout the year as well as providing regular networking opportunities for our Governors. Professional Clerks training has been provided in order to establish a team of centrally appointed clerks to support governance and finally we held our second NPAT Governors Conference in April which successfully focused on Reading, Governor Roles and Pupil Premium. Our Governors are providing a higher level of support and challenge to help ensure all of our children get the education they deserve.

Safeguarding continues to be a key area of focus for the Trust. Safeguarding audits and Governor monitoring ensure that our schools remain compliant and provide the highest standards of care for our children. Our staff continue to deal with sensitive issues on a daily basis in a caring and professional manner.

In May 2018 the Trust carried out its second well-being survey amongst its staff. Once again the feedback was very positive but highlighted the topic of staff workload as an area to address. This mirrors the national picture and NPAT are looking at ways in which teacher workload specifically can be reduced around planning, assessment and marking. NPAT has pledged to reduce work load for all of its staff to ensure that all of our employees achieve a healthy work/life balance.

Three major areas of compliance have been strengthened during the year. All HR policies and procedures have been reviewed and updated ensuring consistency and compliance across the trust. YMD Boon Ltd were appointed as our Health and Safety advisor and have already completed audits of all of our schools to identify best practice and areas for development. This is helping us to ensure compliance and provide safe schools for our pupils, staff and visitors. GDPR came into force in May 2018 and the Trust focused on changing its data culture in the run up to the legislation's introduction to improve how we handle people's personal data.

Ofsted visited three of our schools during the year. Simon de Senlis Primary maintained its 'Good' grading in March, and Headlands and Abington Vale Primary School achieved the same result in April and July. Mrs Sue Gardner retired at the end of the year as Head Teacher of Upton Meadows Primary School and Ms Clare Searing was appointed as her successor. Mr Mark Rapps joined the Trust as Executive Head Teacher at Blackthorn Primary School supported by Ms Becca Williams as Head of School. Mr Tom Rees stepped down as Executive Head Teacher at Simon de Senlis Primary School at the end of the year to become the full-time Education Director for the Trust. He was succeeded by the school's Head of School, Mrs Joanne Fennelly who became Head Teacher in September.

School Improvement remains our core business. A bespoke approach to school improvement for targeted priority schools is positively impacting on the quality of provision and beginning to show improved outcomes for children. During the year there has been a focus on reading and a trust-wide strategy was deployed to improve outcomes in this area. NPAT saw an 8% improvement in outcomes in reading at the end of KS2 in 2018. Continued improvement work in maths across the trust also resulted in an 8% improvement in outcomes. Beginning a focus on raising attainment and outcomes for disadvantaged children helped to raise the profile of this group with school leaders and Governors and we established a relationship with a leading expert in the

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

educational world on this subject, Marc Rowland. Ecton Brook hosted a regional Pupil Premium conference on behalf of the Regional Schools Commissioner. Our work with Marc Rowland will continue in the next academic year as we develop our trust-wide strategy for disadvantaged children. Standardised testing was used for the first time to help provide greater clarity around pupil attainment and progress in reading, writing and maths. These tests combined with a standardised approach across our schools to pupil progress meetings will ensure that all pupils get the intervention and support required to achieve above national attainment and progress in the future.

The Trust's vision and values continue to be at the heart of everything it does. Following a strategic review in February by the Central Team and the Trust's Head Teachers, a new vision, mission and set of values were created. Our new vision is to achieve 'educational excellence, create opportunities and enrich lives'. This will be achieved through our mission 'to develop a Multi Academy Trust of highly effective and sustainable schools.' Our vision and mission is underpinned by our core values which are evident in everything we do:

- **Aspiration & Ambition:** Every child to achieve their best, every school to be a great school and every individual a better version of themselves.
- **Working Together:** Achieving more through collaboration and cooperation. Co-creating trust approaches and policies.
- **Integrity:** A sense of moral purpose and open and honest working.
- **Community:** Schools at the heart of their community, working together for educational excellence across Northamptonshire.
- **Creativity and Innovation:** thinking differently about the future whilst building on the past.
- **Sports and the Arts:** A genuine commitment to participation and excellence in sport and the arts.

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 primary focus, there has once again been many notable achievements outside of the classroom. Pupils from all of our schools had the opportunity to perform in our celebration evening of 'Hamlet' at the Royal Derngate Theatre. This provided them with the opportunity to participate in one of Shakespeare's most memorable plays and will be a highlight of their school career. On the sports field our pupils continue to receive the highest standard of sports coaching from professionals within the Trust and continue to be involved in sport at the highest level through inter and intra school opportunities and through continued engagement with Northampton's well-known teams and clubs. Music continues to inspire. There have been many noticeable events providing singing and instrumental performance, and Ecton Brook Primary won the best year 5/6 choir at the Northampton Eisteddfod. All pupils still receive the opportunity to learn an instrument during their time at primary school through the NMPAT wider opportunities programme, and many continue to develop their musical skills through peripatetic instrumental lessons.

Two other personal achievements also need to be mentioned and recognised. Mr Tom Rees, our Education Director, published his first education book titled 'Wholesome Leadership'. It was launched in May to rave reviews from notable educationalists and provides a thought-provoking insight into leadership within schools. In addition our CEO, Ms Julia Kedwards, was awarded an OBE in the New Year's Honours List for 'Services to Education'. Everyone within the Trust is delighted that she received such an accolade for her commitment to ensuring children receive the best possible education and have every opportunity to succeed in life.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

Attainment and Progress July 2018

NPAT data has been collated trust-wide this year, enabling the performance of the trust as a whole to be analysed in comparison to national averages.

School	AVPS	BPS	EHPS	EBPS	HPS	LPS	RFPS	SDS	TPS	UMPS	WFPS	National Average 2018
KS2 Reading	73%	51%	78% (78%)	61%	59%	69%	73%	68% (70%)	53%	68%	82%	75%
KS2 Writing	79%	63%	72% (85%)	80%	74%	62%	76%	76% (78%)	63%	74%	88%	78%
KS2 Maths	73%	56%	63% (75%)	66%	64%	52%	58%	74% (77%)	67%	81%	77%	76%
KS2 GPS	75%	63%	70% (83%)	67%	64%	59%	69%	76% (80%)	67%	81%	87%	73%
KS2R/W/M combined	61%	40%	58% (68%)	56%	50%	52%	50%	63% (65%)	40%	64%	67%	64%

Key: Brackets = results not including Special Unit pupils

Overall data outcomes by the end of KS2 for the majority of our schools were below National Average in 2018. Weston Favell C of E Primary and Upton Meadows Primary were at National Average or above in reading, writing and maths combined. Progress measures in all NPAT schools are broadly in line with or below national but all comfortably within floor.

The Trust are now working on strategies to improve results across the Trust with a particular focus on continued improvement at Blackthorn, Ecton Brook, Lings, Rectory Farm and Thorplands Primary Schools. A focus on raising attainment for disadvantaged children, in particular improving children's vocabulary, will help schools in more challenging contexts to address these attainment issues.

Combined attendance of pupils across the Trust was 95.6%.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

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 exp.	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							
Supply Cost							

GOING CONCERN

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

FINANCIAL REVIEW

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 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust 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 2005), 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 2018, total expenditure of £17,279,943 (2017 - £11,992,998) (excluding depreciation and before transfers and gains and losses) 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, amounts inherited and transferred on joining the Trust, and before transfers) was £836,847 (2017 - £558,063). At 31 August 2018 the net book value of fixed assets was £47,508,865 (2017 - £25,182,033) 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 Trust.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

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

The LGPS deficit of the Academy Trust, being the total of all ten primary Schools, was £5,865,000 (2017 - being the total of six primary Schools, was £4,018,000).

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. However, the current levels of funding across our schools does mean that it is more and more challenging year upon year to maintain reserves at an adequate level.

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.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

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 Head teacher and Business Manager are responsible for ensuring the policy is adhered to.

Reviewing

The Head teacher 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.

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 recurrent funding (excluding capital income) 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.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

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.

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 2018 the total funds comprised:

Unrestricted:		£552,655
Restricted:	Fixed asset funds	£47,547,240
	Pension reserve	£(5,865,000)
	Other	<u>£1,206,985</u>
		<u>£43,441,880</u>

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 TRUSTEE ON BEHALF OF OTHERS

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.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- HR policies: including Disciplinary Policy, Grievance Policy, Management of Absence Policy, Staff Appraisal and Capability Policy, Safer Recruitment Policy, Whistleblowing Policy
- Business and finance: Management of Purchasing Policy, GDPR Policy, Complaints Policy, Safer Recruitment Policy
- School policies: Safeguarding and Child Protection Policy, Pupil Attendance Policy, Charging and Remissions Policy

In accordance with the Academy Trust's Equal opportunities policy, the Academy Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

DISCLOSURE OF INFORMATION TO AUDITOR

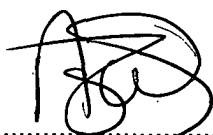
Insofar as the Trustees are aware:

- 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.

AUDITOR

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

The Trustees' report was approved by order of the Board of Trustees Business and Finance committee, as the company directors, on 13/12/18 and signed on its behalf by:



Mr A White
Chair of Trustees

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees Business and Finance committee 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 Business and Finance committee 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 Business and Finance committee has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees Business and Finance committee was as follows:

Trustee	Meetings attended	Out of a possible
Ms J Kedwards, CEO & Accounting Officer	6	6
Mr A White, Chair of Trustees	6	6
Mrs J Clarke	4	6
Mr F Crookenden-Johnson	0	2
Mrs U Dadley	4	6
Rev D G Kirby	3	6
Mr T Rees, Executive Head Teacher and p/t Education Director	6	6
Mr G Smith	4	5
Mr S Lock	2	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the 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 Business and Finance committee 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:

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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 Trust staff are deployed in order to provide best value in terms of curriculum leadership & management and quality of teaching & learning. The elements achieving below expectations will continue to be targeted in 2018/19.

Initiatives

The Chief Executive Officer's key focus is to continue in supporting in the leadership and direction for the Trust's schools 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 on the previous year.

The Chief Operations Officer for NPAT oversees the business and finance aspects of the Academies in the Trust to ensure consistency 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.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees Business and Finance committee;
- 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 a financial controller, to perform peer review.

In the reporting year, our internal audit was undertaken by the newly appointed financial controller who joined the Trust just prior to internal audit work being undertaken in May. As the Trust grows, Trustees will review the need for internal audit during for the 2018/19 financial year.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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

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

On a termly basis, the reviewer reports to the Board of Trustees Business and Finance committee through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees Business and Finance committee's 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 reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the financial controller 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 Business and Finance committee on 13/12/2018 and signed on their behalf, by:


.....
Mr A White
Chair of Trustees


.....
Ms J Edwards
Accounting Officer


NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Northampton Primary Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

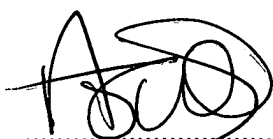
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees Business and Finance committee on 13/12/2018 and signed on its behalf by:



.....
Mr A White
Chair of Trustees

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

OPINION

We have audited the financial statements of Northampton Primary Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for the financial year 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.

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

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

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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. This description forms part of our Auditor's report.

USE OF OUR REPORT

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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.



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

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 14 December 2018

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 7 July 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northampton Primary Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

The work undertaken to draw to our conclusion includes;

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

CONCLUSION

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

MHA MacIntyre Hudson

MHA MacIntyre Hudson

Chartered Accountants

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: *14 December 2018*

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

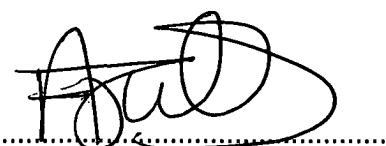
STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Transfer from local authority on conversion	2	-	417,326	16,415,763	16,833,089	3,667,886
Other donations and capital grants	2	-	-	6,543,486	6,543,486	-
Pension deficit on acquisition of Academy Trust	2	-	(2,074,000)	-	(2,074,000)	(311,000)
Donations and capital grants	2	557,384	160,097	453,357	1,170,838	486,312
Charitable activities	5	-	15,563,692	-	15,563,692	11,182,065
Other trading activities	3	159,858	-	-	159,858	120,213
Investments	4	2,065	-	-	2,065	2,442
TOTAL INCOME		719,307	14,067,115	23,412,606	38,199,028	15,147,918
EXPENDITURE ON:						
Raising funds		601,568	130,551	-	732,119	629,911
Charitable activities:						
Other charitable activities		-	16,547,824	1,218,725	17,766,549	12,204,621
TOTAL EXPENDITURE	6	601,568	16,678,375	1,218,725	18,498,668	12,834,532
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		117,739	(2,611,260)	22,193,881	19,700,360	2,313,386
Transfers between Funds	16	(45,448)	(125,216)	170,664	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		72,291	(2,736,476)	22,364,545	19,700,360	2,313,386
Actuarial gains on defined benefit pension schemes	22	-	974,000	-	974,000	2,017,000
NET MOVEMENT IN FUNDS		72,291	(1,762,476)	22,364,545	20,674,360	4,330,386
RECONCILIATION OF FUNDS:						
Total funds brought forward	16	480,364	(2,895,539)	25,182,695	22,767,520	18,437,134
TOTAL FUNDS CARRIED FORWARD		552,655	(4,658,015)	47,547,240	43,441,880	22,767,520

NORTHAMPTON PRIMARY ACADEMY TRUST**(A company limited by guarantee)****REGISTERED NUMBER: 08172039****BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		47,508,865		25,182,033
CURRENT ASSETS					
Debtors	14	934,299		697,953	
Cash at bank and in hand	19	2,219,342		2,025,222	
			3,153,641	2,723,175	
CREDITORS: amounts falling due within one year	15	(1,355,626)		(1,119,688)	
NET CURRENT ASSETS			1,798,015		1,603,487
TOTAL ASSETS LESS CURRENT LIABILITIES			49,306,880		26,785,520
Defined benefit pension scheme liability	22		(5,865,000)		(4,018,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			43,441,880		22,767,520
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	1,206,985		1,122,461	
Restricted fixed asset funds	16	47,547,240		25,182,695	
Restricted funds excluding pension liability			48,754,225	26,305,156	
Pension reserve	16	(5,865,000)		(4,018,000)	
Total restricted funds			42,889,225		22,287,156
Unrestricted income funds	16		552,655		480,364
TOTAL FUNDS			43,441,880		22,767,520

The financial statements on pages 27 to 58 were approved by the Trustees, and authorised for issue, on 13/12/18 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	327,071	178,062
Cash flows from investing activities:			
Purchase of tangible fixed assets		(586,308)	(712,905)
Capital grants from DfE Group		453,357	45,097
Net cash used in investing activities		(132,951)	(667,808)
Cash flows from financing activities:			
Repayments of borrowings		-	(17,628)
Net cash used in financing activities		-	(17,628)
Change in cash and cash equivalents in the year		194,120	(507,374)
Cash and cash equivalents brought forward	19	2,025,222	2,532,596
Cash and cash equivalents carried forward	19	2,219,342	2,025,222

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities 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 receipt is probable and it is measurable.

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.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

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
Plant and equipment	-	33.3% 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.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 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.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 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.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

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.

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

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 Department for Education Group.

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 East Hunsbury Primary School and Upton Meadow 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	-	417,326	16,415,763	16,833,089	3,667,886
Other donations and capital grants	-	-	6,543,486	6,543,486	-
Pension deficit on acquisition of Academy Trust	-	(2,074,000)	-	(2,074,000)	(311,000)
	-	(1,656,674)	22,959,249	21,302,575	3,356,886
Donations	557,384	160,097	-	717,481	441,215
Capital Grants	-	-	453,357	453,357	45,097
	557,384	160,097	453,357	1,170,838	486,312
	557,384	(1,496,577)	23,412,606	22,473,413	3,843,198
Total 2017	394,200	(263,985)	3,712,983	3,843,198	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	14,502	-	14,502	23,585
Lettings income	145,356	-	145,356	96,628
	159,858	-	159,858	120,213
Total 2017	120,213	-	120,213	

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	2,065	-	2,065	2,442
Total 2017	2,442	-	2,442	

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	11,403,368	11,403,368	8,553,882
Other DfE/ESFA grants	-	745,283	745,283	629,114
Pupil premium	-	1,080,689	1,080,689	799,786
	-	13,229,340	13,229,340	9,982,782
Other government grants				
Local authority grants	-	1,173,077	1,173,077	870,935
	-	1,173,077	1,173,077	870,935
Other funding				
Other income	-	1,161,275	1,161,275	328,348
	-	1,161,275	1,161,275	328,348
	-	15,563,692	15,563,692	11,182,065
Total 2017	-	11,182,065	11,182,065	

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	172,880	-	380,058	552,938	561,482
Support costs	-	-	-	-	-
Expenditure on fundraising trading					
Direct costs	21,880	-	157,301	179,181	68,429
Support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	11,181,359	-	1,339,985	12,521,344	8,381,677
Allocated support costs	1,557,117	1,703,300	1,984,788	5,245,205	3,822,944
	12,933,236	1,703,300	3,862,132	18,498,668	12,834,532
Total 2017	8,664,349	1,372,865	2,797,318	12,834,532	

7. CHARITABLE ACTIVITIES

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	12,521,344	5,245,205	17,766,549	12,204,621
Total 2017	8,381,677	3,822,944	12,204,621	

Analysis of support costs

	2018 £	2017 £
Support staff costs	1,557,117	937,655
Depreciation	1,218,725	841,534
Technology costs	113,475	104,437
Premises costs	464,045	469,969
Other support costs	1,820,048	1,411,596
Governance costs	71,795	57,753
Total support costs	5,245,205	3,822,944

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	1,218,725	841,534
Fees payable to auditor for - audit	23,000	17,500
Fees payable to auditor for - other services	10,500	13,100
Operating lease rentals	514,368	412,472

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	9,532,576	6,498,216
Social security costs	770,107	528,325
Operating costs of defined benefit pension schemes	2,275,467	1,457,791
	<u>12,578,150</u>	<u>8,484,332</u>
Agency staff costs	296,736	180,017
Staff restructuring costs	58,350	-
	<u><u>12,933,236</u></u>	<u><u>8,664,349</u></u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £58,350. Individually, the payments were: £35,000 made 28 February 2018 and £8,765 made 31 August 2018 and £14,585 made 30 September 2018.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	194	101
Administration and support	431	234
Management	15	23
	<u>640</u>	<u>358</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	6	3
In the band £70,001 - £80,000	2	4
In the band £80,001 - £90,000	1	0

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2018, pension contributions for these staff amounted to £101,645 (2017 - £80,961).

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

9. STAFF COSTS (continued)

e. 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 and employers national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,207,823 (2017: £1,350,613).

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 5% of GAG is recharged to the trust;

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Abington Vale Primary School	79,634	30,242
Ecton Brook Primary School	121,553	48,465
Headlands Primary School	73,303	33,364
Lings Primary School	70,830	22,322
Simon de Senlis Primary School	72,140	33,845
Rectory Farm Primary School	55,301	14,560
East Hunsbury Primary School	62,087	-
Thorplands Primary School	12,442	-
Upton Meadow Primary School	116,096	-
Blackthorn Primary School	29,689	-
Total	<u>693,075</u>	<u>182,798</u>

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£	£
Ms J Kedwards, CEO	Remuneration	85,000-90,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr L Wolmarans, Head Teacher	Remuneration	N/A	70,000-75,000
	Pension contributions paid	N/A	10,000-15,000
Mr T Rees, Head Teacher	Remuneration	70,000-75,000	70,000-75,000
	Pension contributions paid	5,000-10,000	10,000-15,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £Nil).

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 £10,000,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost of £68,838 (2017 - £42,136).

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost					
At 1 September 2017	4,389,707	21,881,136	1,151,741	991,429	28,414,013
Additions	269,534	-	223,063	93,711	586,308
Inherited on conversion	-	15,934,263	314,281	167,219	16,415,763
Additions on transfer in to the Trust	-	6,525,892	17,594	-	6,543,486
At 31 August 2018	4,659,241	44,341,291	1,706,679	1,252,359	51,959,570
Depreciation					
At 1 September 2017	472,526	1,530,040	454,665	774,749	3,231,980
Charge for the year	98,468	721,345	218,214	180,698	1,218,725
At 31 August 2018	570,994	2,251,385	672,879	955,447	4,450,705
Net book value					
At 31 August 2018	4,088,247	42,089,906	1,033,800	296,912	47,508,865
At 31 August 2017	3,917,181	20,351,096	697,076	216,680	25,182,033

14. DEBTORS

	2018 £	2017 £
Trade debtors	18,282	16,156
VAT repayable	283,366	215,975
Prepayments and accrued income	632,651	465,822
	934,299	697,953

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

15. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	80,301	117,501
Other taxation and social security	230,416	126,841
Pension creditors	-	143,943
Accruals and deferred income	1,044,909	731,403
	1,355,626	1,119,688
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	298,221	189,773
Resources deferred during the year	456,173	298,221
Amounts released from previous years	(298,221)	(189,773)
Deferred income at 31 August 2018	456,173	298,221

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 2018/19 academic year.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	480,364	719,307	(601,568)	(45,448)	-	552,655
Restricted funds						
General Annual Grant (GAG)	332,558	11,403,368	(11,611,315)	(61,645)	-	62,966
Pupil premium	4,190	1,080,689	(991,055)	-	-	93,824
Other DfE/ESFA income	311,871	745,283	(723,916)	(44,606)	-	288,632
Local Authority	38,926	1,111,270	(1,146,707)	-	-	3,489
Recharges	(219,505)	688,331	(94,565)	-	-	374,261
Parental contributions	5,448	160,097	(162,975)	-	-	2,570
Miscellaneous	137,517	890,270	(901,486)	(18,965)	-	107,336
Transfer from Local Authority	511,456	61,807	(299,356)	-	-	273,907
Pension reserve	(4,018,000)	(2,074,000)	(747,000)	-	974,000	(5,865,000)
	<u>(2,895,539)</u>	<u>14,067,115</u>	<u>(16,678,375)</u>	<u>(125,216)</u>	<u>974,000</u>	<u>(4,658,015)</u>
Restricted fixed asset funds						
Inherited fixed asset fund	23,741,997	22,959,249	(1,218,725)	410,040	-	45,892,561
Capital expenditure from other funds	1,440,040	-	-	155,574	-	1,595,614
Unspent capital grants	658	453,357	-	(394,950)	-	59,065
	<u>25,182,695</u>	<u>23,412,606</u>	<u>(1,218,725)</u>	<u>170,664</u>	<u>-</u>	<u>47,547,240</u>
Total restricted funds	<u>22,287,156</u>	<u>37,479,721</u>	<u>(17,897,100)</u>	<u>45,448</u>	<u>974,000</u>	<u>42,889,225</u>
Total of funds	<u>22,767,520</u>	<u>38,199,028</u>	<u>(18,498,668)</u>	<u>-</u>	<u>974,000</u>	<u>43,441,880</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 £46,991,000 (2017 - £25,182,033) will be reserved against future depreciation charges. The balance of £59,065 (2017 - £662) 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 2018.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

16. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Abington Vale Primary School	499,078	190,598
Ecton Brook Primary School	590,203	682,090
Headlands Primary School	151,596	192,939
Lings Primary School	104,453	160,198
Simon de Senlis Primary School	37,817	63,545
Rectory Farm Primary School	59,464	19,872
East Hunsbury Primary School	40,342	-
Thorplands Primary School	(13,917)	-
Upton Meadow Primary School	105,987	-
Blackthorn Primary School	40,368	-
Central Services	144,249	293,583
Total before fixed asset fund and pension reserve	1,759,640	1,602,825
Restricted fixed asset fund	47,547,240	25,182,695
Pension reserve	(5,865,000)	(4,018,000)
Total	43,441,880	22,767,520

The following Academy is carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
Thorplands Primary School	(13,917)

The school transferred into NPAT from The Education Fellowship Trust on 1st June, at which stage it was in a deficit position

The Academy Trust is taking the following action to return the Academies to surplus:

NPAT is working with the school to address the situation and expect it to be in a surplus position as at 31st August 2019.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

16. STATEMENT OF FUNDS (continued)

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 depn £	Total 2018 £	Total 2017 £
Abington Vale Primary School	1,308,442	75,671	74,226	431,061	1,889,400	1,771,069
Ecton Brook Primary School	2,272,680	19,251	227,104	888,608	3,407,643	3,279,220
Headlands Primary School	1,700,767	57,810	124,650	515,537	2,398,764	2,639,121
Lings Primary School	1,017,846	86,402	173,325	416,004	1,693,577	1,475,769
Simon de Senlis Primary School	1,562,684	104,683	92,330	502,199	2,261,896	1,958,345
Rectory Farm Primary School	732,014	30,827	66,002	295,336	1,124,179	646,883
East Hunsbury Primary School	1,534,557	69,268	160,557	314,361	2,078,743	-
Thorplands Primary School	200,599	84,296	6,439	81,663	372,997	-
Upton Meadow Primary School	566,373	80,645	16,174	67,977	731,169	-
Blackthorn Primary School	153,664	156,876	14,842	98,326	423,708	-
Central Services	-	356,369	145,963	395,535	897,867	222,591
	11,049,626	1,122,098	1,101,612	4,006,607	17,279,943	11,992,998

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	Balance at 31 August 2017 £
General funds						
General Funds	364,281	516,855	(391,256)	(9,516)	-	480,364
Restricted funds						
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>
Restricted fixed asset funds						
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>

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	364,281	1,236,162	(992,824)	(54,964)	-	552,655
Restricted funds						
General Annual Grant (GAG)	722,651	19,957,250	(19,961,362)	(655,573)	-	62,966
Pupil premium	-	1,851,199	(1,830,974)	73,599	-	93,824
Other DfE/ESFA income	64,662	1,404,811	(1,139,088)	(41,753)	-	288,632
Local Authority	157,765	1,982,205	(2,136,481)	-	-	3,489
Recharges	(98,274)	786,694	(314,159)	-	-	374,261
Parental contributions	31,832	207,115	(278,577)	42,200	-	2,570
Miscellaneous	48,888	1,119,114	(1,027,067)	(33,599)	-	107,336
Transfer from Local Authority	749,798	61,807	(422,409)	(115,289)	-	273,907
Pension reserve	(5,301,000)	(2,385,000)	(1,170,000)	-	2,991,000	(5,865,000)
	<u>(3,623,678)</u>	<u>24,985,195</u>	<u>(28,280,117)</u>	<u>(730,415)</u>	<u>2,991,000</u>	<u>(4,658,015)</u>
Restricted fixed asset funds						
Inherited fixed asset fund	20,882,622	26,627,135	(2,027,236)	410,040	-	45,892,561
Capital expenditure from other funds	760,154	-	(33,023)	868,483	-	1,595,614
Unspent capital grants	53,755	498,454	-	(493,144)	-	59,065
	<u>21,696,531</u>	<u>27,125,589</u>	<u>(2,060,259)</u>	<u>785,379</u>	<u>-</u>	<u>47,547,240</u>
	<u>18,072,853</u>	<u>52,110,784</u>	<u>(30,340,376)</u>	<u>54,964</u>	<u>2,991,000</u>	<u>42,889,225</u>
Total of funds	<u>18,437,134</u>	<u>53,346,946</u>	<u>(31,333,200)</u>	<u>-</u>	<u>2,991,000</u>	<u>43,441,880</u>

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	47,508,865	47,508,865
Current assets	552,655	2,541,921	59,065	3,153,641
Creditors due within one year	-	(1,355,626)	-	(1,355,626)
Pension scheme liability	-	(5,865,000)	-	(5,865,000)
	<u>552,655</u>	<u>(4,658,015)</u>	<u>47,547,240</u>	<u>43,441,880</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	19,700,360	2,313,386
Adjustment for:		
Depreciation charges	1,218,725	841,534
Increase in debtors	(236,346)	(224,372)
Increase in creditors	235,938	226,497
Capital grants from DfE and other capital income	(453,357)	(45,097)
Defined benefit pension scheme cost less contributions payable	624,000	302,000
Defined benefit pension scheme finance cost	123,000	121,000
Net gain on assets and liabilities from local authority on conversion	2,074,000	311,000
Fixed assets inherited	(16,415,763)	(3,667,886)
Additions on transfer in to the trust	(6,543,486)	-
Net cash provided by operating activities	<u>327,071</u>	<u>178,062</u>

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	2,219,342	2,025,222
Total	<u>2,219,342</u>	<u>2,025,222</u>

20. CONVERSION TO AN ACADEMY TRUST

On 1 November 2017 East Hunsbury 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 £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	6,964,590	6,964,590
- Other tangible fixed assets	-	-	259,776	259,776
Budget surplus/(deficit) on LA funds	-	221,161	-	221,161
LGPS pension surplus/(deficit)	-	(528,000)	-	(528,000)
Net assets/(liabilities)	<u>-</u>	<u>(306,839)</u>	<u>7,224,366</u>	<u>6,917,527</u>

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

On 1 April 2018 Upton Meadow 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 Northampton 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
	£	£	£	£
Tangible fixed assets				
Freehold/leasehold land and buildings	-	-	8,545,388	8,545,388
Other tangible fixed assets	-	-	221,726	221,726
Budget surplus/(deficit) on LA funds	-	100,000	-	100,000
LGPS pension surplus/(deficit)	-	(483,000)	-	(483,000)
Total	-	(383,000)	8,767,114	8,384,114

21. CONTINGENT LIABILITIES

On conversion to an Academy Trust, Upton Meadows Primary School have an outstanding balance with Northamptonshire County Council pending agreement of their final funds on conversion. As at the date of signing these accounts, this balance has not yet been agreed. It is expected to be agreed and settled during the next financial accounting period.

On joining Northampton Primary Academy Trust, Thorplands Primary School and Blackthorn Primary School have outstanding balances with The Education Fellowship Trust pending agreement of the balances due between the entities after their transfer out of the Trust. Additionally, Thorplands Primary School has outstanding balances with Northamptonshire County Council in relation to funding of the Children's Centre. As at the date of signing these accounts, this balance has not yet 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 £nil were payable to the schemes at 31 August 2018 (2017 - 143,948) and are included within creditors.

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

22. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £907,244 (2017 - £640,604).

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

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £945,000 (2017 - £651,000), of which employer's contributions totalled £756,000 (2017 - £524,000) and employees' contributions totalled £189,000 (2017 - £127,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Expected return on scheme assets at 31 August	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.2	24.2
Retiring in 20 years		
Males	23.9	23.9
Females	26.1	26.1

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.5%	7,693,000	5,058,000
Discount rate -0.5%	4,037,000	2,978,000
Salary increase rate +0.5%	6,108,000	4,179,000
Salary increase rate -0.5%	5,622,000	3,857,000
Pension increase rate +0.5%	7,430,000	4,881,000
Pension increase rate -0.5%	4,300,000	3,155,000

The sensitivity analysis quantifies the impact of a change to the financial assumptions used. The changes above can be seen to increase the pension liability by the amounts stated.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	5,423,460	2,868,000
Corporate bonds	1,099,350	620,000
Property	586,320	272,000
Cash and other liquid assets	219,870	116,000
	<u>7,329,000</u>	<u>3,876,000</u>
Total market value of assets	<u>7,329,000</u>	<u>3,876,000</u>

The actual return on scheme assets was £265,000 (2017 - £-366,000).

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

	2018 £	2017 £
Interest income	120,000	81,000
Interest cost	(243,000)	(202,000)
Current service cost	(1,380,000)	(826,000)
	<u>(1,503,000)</u>	<u>(947,000)</u>
Total	<u>(1,503,000)</u>	<u>(947,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	7,894,000	8,831,000
Upon conversion	4,376,000	421,000
Interest cost	243,000	202,000
Employee contributions	189,000	127,000
Actuarial gains	(829,000)	(2,464,000)
Benefits paid	(59,000)	(49,000)
Current service cost	1,380,000	826,000
	<u>13,194,000</u>	<u>7,894,000</u>
Closing defined benefit obligation	<u>13,194,000</u>	<u>7,894,000</u>

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	3,876,000	3,530,000
Upon conversion	2,302,000	110,000
Interest income	120,000	81,000
Actuarial gains/(losses)	145,000	(447,000)
Employer contributions	756,000	524,000
Employee contributions	189,000	127,000
Benefits paid	(59,000)	(49,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	7,329,000	3,876,000
	<hr/>	<hr/>

23. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	518,099	525,567
Between 1 and 5 years	2,046,878	2,015,732
After more than 5 years	7,843,922	7,548,195
	<hr/>	<hr/>
Total	10,408,899	10,089,494
	<hr/>	<hr/>

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

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 £85,545 (2017 - £59,892) and was invoiced £119,491 (2017 - £16,800) by Weston Favell Church of England Primary School. At 31 August 2018 the Academy Trust was owed £nil (2017 - £nil) from Weston Favell Church of England Primary School.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

25. MEMBERS' LIABILITY

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

26. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST

Thorplands Primary School

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Freehold property	2,977,692	-	2,977,692
Pensions			
Pensions - pension scheme assets	-	863,000	863,000
Pensions - pension scheme liabilities	-	(1,557,000)	(1,557,000)
Net assets	2,977,692	(694,000)	2,283,692

Blackthorn Primary School

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Freehold property	3,548,200	-	3,548,200
Fixtures and fittings	17,594	-	17,594
Pensions			
Pensions - pension scheme assets	-	850,000	850,000
Pensions - pension scheme liabilities	-	(1,219,000)	(1,219,000)
Net assets	3,565,794	(369,000)	3,196,794