

NORTHGATE PRIMARY SCHOOL TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2019

NORTHGATE PRIMARY SCHOOL TRUST

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NORTHGATE PRIMARY SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs S Cran Mr J Hurd (resigned 5 March 2019) Mr B Neill Mr G Young Mr L Foote (appointed 24 September 2018) Mr M Hooker
Trustees	Mrs B Long, Community (resigned 24 September 2018) Mrs S Cran, Chair of Trustees Mrs C Bull, Staff Ms R Fraser, Parent (appointed 4 February 2019) Mrs V Smith, Parent Mrs T Eaton, Staff (resigned 6 June 2019) Mr B Neill, Parent Mr P Norton, Parent (appointed 4 February 2019) Mrs J Tanner, Headteacher Mr E Toker-Turnalar, Community (appointed 20 May 2019) Mr L Foote, Community Mrs L Dormandy, Community Mrs C Waltham, Community Mr D Clarke, Community (resigned 22 October 2019)
Company registered number	08128432
Company name	Northgate Primary School Trust
Registered and principal office	Northgate Primary School Trust Cricketfield Lane Bishop's Stortford Hertfordshire CM23 2RL
Company Secretary	Mrs J Lane Mrs L Taub
Chief Executive Officer	Mrs J Tanner
Senior Leadership Team	Mrs J Tanner, Headteacher Mrs J Lane, Business Manager Miss K Greaves, Deputy Head Mrs C Clynes, Assistant Head Mrs R Gavin, Lower KS2 Leader Mrs S Pratt, KS1 Leader Mrs G Aziz, Foundation Stage Leader (resigned 31/12/18) Mrs H Harding, SENDCo (resigned 31/12/2018) Mrs F Gitto, Upper KS2 Leader Mrs L Webb, SENDCo (appointed 01/01/19) Mrs A Clarke, Foundation Stage Leader (appointed 01/01/2019)

NORTHGATE PRIMARY SCHOOL TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019**

Independent Auditors Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers National Westminster Bank Plc
7 North Street
Bishops Stortford
CM23 2LE

NORTHGATE PRIMARY SCHOOL TRUST

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Northgate Primary School Trust (the Academy, The Trust or the Charitable Company) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates a School for pupils aged 3 – 11 serving a catchment area in Bishop's Stortford, Hertfordshire. It has a pupil capacity of 480 and had a roll of 465 in the 2018 school census.

Structure, Governance and Management

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Northgate Primary School Trust (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

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 and Officers' Indemnities

In September 2018 the Trust opted into an independent insurance scheme through Zurich. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and covers up to £25,000,000. This cover includes a Trustees liability indemnity of £5,000,000.

Method of Recruitment and Appointment or Election of Trustees

The Members of the Academy may appoint up to seven Trustees in addition to the Headteacher and Local Authority Trustees. The Members also appoint Staff Trustees who are nominated by the Academy staff together with a minimum of two Parent Trustees who have been elected by the parents of the registered pupils at the School. Trustees are subject to retirement after 4 years of service but are eligible for re-appointment or re-election at the end of their term of office.

The arrangements are as set out in the Articles of Association and Funding Agreement.

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body. Parent Trustees and the Staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election.

The Articles of Association make provision for at least 17 Trustees including 8 Parents, 2 Staff (Teaching, 1 Staff (Non-Teaching) plus 6 others including the Headteacher.

Policies and Procedures Adopted for the Induction and Training of Trustees

All Trustees are given the opportunity to attend training sessions. During the 2018/19 academic year the Trustees have been provided with literature covering the main elements of the position, including the legal framework and Trustee responsibilities. Each year all members of the Board of Trustees (the Governing Body) are offered updates on relevant issues and changes in legislation etc. The topics covered are regularly reviewed to ensure that Trustees are kept up to date as far as possible. Access to training is available through Hertfordshire County Council through a service agreement, The National Governors Association, The Key and Balance Educational Consultancy.

NORTHGATE PRIMARY SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Trustees are appointed based on the skills that they bring to the Governing Body or based on a proposal to them by representative groups. On appointment, Trustees receive an induction letter on the role and responsibilities of Trustees.

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the School and a chance to meet staff and pupils. All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chairman of Trustees and Headteacher or Deputy Headteacher. All Trustees have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documentation that they will need to undertake their role as Trustees. One Trustee is designated as the Trustee Development Coordinator and they are responsible for overseeing training and development needs. Trustees also undertake to make regular visits to the School to improve their understanding and to offer guidance and support.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Governing Body, which meets on at least 5 occasions per year and each individual committee at least 5 times per year, is responsible for the strategic direction of the Academy. The Governing Body reviews progress towards educational objectives and results; has monthly budget meetings, approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

All Trustees are members of the Governing Body. In addition Trustees are members of at least one sub-committee.

Throughout the year the Resources Committee (Finance and Property) has met on 5 occasions, however the Chair of Governors and Vice Chair of Resources (who has an accounting background) hold a monthly budget and review meeting with the Accounting Officer, Chief Financial Officer to ensure that full responsibility for monitoring, evaluating and reviewing policy and performance in relation to financial management is adhered to. The Resources Committee also ensure compliance with reporting and regulatory requirements, receiving reports from the Internal Auditor and drafting the annual budget following input from the other-sub-committees. During this financial year it also assumed the role of Audit Committee.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently (usually weekly) to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Governing Body as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

NORTHGATE PRIMARY SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved initially by the HR and Resources Committees and ratified by the Governing Body.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Members or Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor and the Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Birchwood Sports Partnership.
- Birchwood High School (Accelerated Maths).
- Herts and Essex High School (Building a Primary / Secondary Partnership).
- Catalyst Teaching Alliance.
- Bishop's Stortford Primary Consortium

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 3 and 11, focusing on the ethos of the school, 'Every Child, Every Chance, Every Day'.

Objectives, Strategies and Activities

During the year the School has worked towards these aims by:

- Embedding ways in which best practice is shared both within the School and with other schools locally.
- Worked with local schools to continue to develop a local collaborative, developing strong working relationships.
- Worked on improving effectiveness and impact of monitoring, accountability and feedback from SLT and Middle Leadership Team (MLT) to ensure it is targeted at teaching and learning of pupils who are not making enough progress.
- Continued to work on improving attainment and progress data in KS2 in reading, writing and maths.
- Continued to work on improving progress in KS2 maths and writing to close the gap with other pupils, including SEN and Pupil Premium pupils.
- Continuing to focus on quality of teaching so that 100% is consistently good and more shows outstanding features or outstanding so that progress in all Key stages is strong.
- Continually working on embedding the consistency of assessments with all staff across the Foundation Stage.
- Further developing children's understanding of British Values and how this impacts them.
- Further developing children's understanding of diversity.

NORTHGATE PRIMARY SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Our success in fulfilling our aims can be measured by:

- The development of a curriculum that has clear progression of skills.
- Subject Leader collaboration with other schools which has begun to develop knowledge organisers that clarify knowledge and progression throughout the curriculum.
- New systems in place to identify targeted children and clarify their gaps with teachers having a clear understanding of these.
- Teacher knowledge in ICT is increasing.
- Following support that has been put in place for teaching, subject knowledge and planning, lesson observations in the summer term indicate improved teaching.
- From the writing observations, real strengths were embedding high quality modelling in shared writing and developing high level vocabulary.
- Data indicates once again high attainment at the end of Reception.
- More moderation across foundation has validated end of year judgements and also, as a team moderation with TAs, helped secure their understanding of ARE and GD.
- PSED/CL interventions and classroom focus sessions have played a major part in the high % of children achieving and exceeding in these areas.

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust continues to ensure all pupils achieve their potential, attain highly in national examinations, and have the opportunities to be immersed in an inspiring curriculum, while encouraging a wide range of extra-curricular activities.

The School has a range of evidence to support the judgement that all year groups make good progress, develop secure knowledge and understanding and skills. Leaders set challenging targets for pupils considering their different starting points and monitor and evaluate the impact of actions taken.

Children in EYFS achieve highly and make strong progress. Pupils in year 1 achieve highly in the national phonics check and in 2018 achieved the highest ever score at 92%.

By the end of year 2, attainment is well above national averages for the proportions of pupils working at the expected standards in reading, writing, mathematics and science.

By the end of year 6, attainment is well above national averages for the proportions of children working at the expected standard and greater depth in reading, writing, mathematics and grammar, punctuation and spelling. Progress is above the national average in reading, writing and mathematics.

There are very small numbers of disadvantaged pupils across the School, who's progress does vary. In Key Stage 2, last year the pupil premium pupils preformed particularly well in reading, performing better than other pupils nationally.

NORTHGATE PRIMARY SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2018/19 were 465 against a forecast of 474.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2018/19 this was 80% against set parameters of 80 – 85%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures which are all approved by the Governing Body.

The Resources Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately.

Going Concern

After making appropriate enquiries, the Governing Body 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

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2019 the Trust received £1,884,232 of GAG and other income (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £1,949,904 on general running costs (excluding depreciation). The Academy brought forward from 17/18, £7,780 restricted funds and £67,698 unrestricted funding. The carry forward for 18/19 is £11,580 restricted funding and £63,226 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £681,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure or to cover any shortfall from cash reserves. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £63,226. This has been built up from a mixture of locally raised income and balances transferred from the Predecessor School.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 was £74,806

The cash balance has been very healthy all year, ending the year with a balance of £162,095. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum of £100,000 to cover short term cash flow variances.

NORTHGATE PRIMARY SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Investment Policy

Investment policy and procedure form part of the Academies Financial Regulations (section 10.2) which was approved by the Governing Body on 16th October 2017. The aim of the procedures is to ensure funds that the Academy does not immediately need to cover anticipated expenditure with are invested in such a way as to maximise the Academy's income but with minimal risk. The aim is to research and monitor where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Resources Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Academy has appointed Price Bailey (external Auditors) and Essex Financial Services (Internal Controls) to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

NORTHGATE PRIMARY SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Plans for Future Periods

Effectiveness of Leadership

- To share best practice within school and beyond.
- To continue to develop school strategies to support the wellbeing of staff and pupils.

Quality of Education

- To improve KS2 attainment and progress data in reading, writing and maths.
- To develop a quality sequenced curriculum in foundation subjects.
- To further develop high quality assessment across the curriculum.
- To improve attainment in reading, writing and maths for SEN and Pupil Premium students.
- To develop high quality teaching and learning in computing.

Personal development, behaviour and welfare

- To develop an understanding of the development of the skills behind learning powers.

Behaviour and attitudes

- To reduce incidents of low level behaviour issues.

Effectiveness of Early Years Provision

- To develop a quality sequenced curriculum.
- To develop the teaching of early maths.

Internal building developments

- To continue our building re-organisation programme we will be investigating further internal alteration possibilities to enable the creation of one further group room for the teaching of intervention programmes/ PPA facility for teachers to work uninterrupted.
- To develop the current IT suite into a multi purpose room that can be used for various activities including IT.
- To work on a strategy for a sustainable and up to date IT equipment programme.
- Refurbish the KS2 toilets.

Outdoor developments

- Segregated outdoor learning spaces for KS1 to ensure safe play during the day and open up outdoor learning experiences.
- External storage to be investigated for PTA events and equipment.
- To improve fencing around the schools perimeter and develop outside lighting at front of school to ensure the security of staff and students.

NORTHGATE PRIMARY SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

Fundraising

The Trust has a Parent Association that holds small fundraising events during the year. This year's events and activities included School Discos, Fireworks Night, Cake Sales, Christmas Fayre, Happy Bag Recycling Collections, Summer Fayre, Post Sports Day Water Fun and BBQ, Christmas Card Fundraising Scheme, Film Night, Mothers Day Gift Shop, Second Hand Uniform Sales and Ice Cream Sales. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not currently hold funds on behalf of others.

Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by the Governing Body on 3 December 2019 and signed on the Governing Body's behalf by:

Mrs S Cran
Chair of Trustees

NORTHGATE PRIMARY SCHOOL TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Northgate Primary School Trust and the Secretary of State for Education. The Accounting Officer and Chief Financial Officer are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 5 times during the period.

A 6th meeting was held by the Board of Trustees for training and therefore not included in the above total.

Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs B Long, Community	0	0
Mrs S Cran, Chair of Trustees	4	5
Mrs C Bull, Staff	4	5
Ms R Fraser, Parent	2	3
Mrs V Smith, Parent	4	5
Mrs T Eaton, Staff	3	4
Mr B Neill, Parent	3	5
Mr P Norton, Parent	1	3
Mrs J Tanner, Headteacher	5	5
Mr E Toker-Turnalar, Community	1	2
Mr L Foote, Community	5	5
Mrs L Dormandy, Community	3	5
Mrs C Waltham, Community	5	5
Mr D Clarke, Community	3	5

During the period 1 September 2018 and August 2019 the following changes took place in the governing body

Governors that have stepped down

- Barbara Long (Community Governor)
- Tracey Eaton (Staff Governor)
- Jon Hurd (Member)
- David Clarke (Community Governor)

New Governors

- Elif Toker-Turnalar
- Ros Fraser
- Paul Norton

Laurence Foote appointed as a Member

Over the 2018/2019 year, we have had three new Governors start and fill gaps previously identified as part of the 2017/2018 review, regarding Risk and Compliance. During the year we also acknowledged through informal self-evaluations, that we required another non parent governor, as well as someone with skills in Education, we recruited successfully. As a Board of Trustees we plan to complete a formal skills audit in October 2019.

NORTHGATE PRIMARY SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Over the year, we have had challenges in terms of a parental complaint, as a result the complaints procedure has been re-written to be more efficient and user friendly for parents and the Academy.

Significant change this year has been the introduction of monthly resources meetings between the School and Governors. Significant work has been done on policies, recruitment, health and safety (including new fencing).

The Resources Committee is a sub-committee of the Board of Trustees. Its purpose is to provide critique and support to the SLT & Board of Trustees in the setting and execution of the School financial plan and associated risk management. Ensuring sound budgeting practises are deployed to enable execution of the School Development Plan.

Monthly resources meetings with a Resources Governor have strengthened financial proceedings. Key challenges continue to be delivering a balanced budget, with continued cuts in funding and increased staffing costs.

The Resources Committee, via a sub-committee to fulfill the role of an Audit Committee. When sitting an Audit Committee, the meeting is chaired by the Audit Committee Chair, who is not the Resources Committee Chair.

Attendance during the period at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Tanner	5	5
Mrs S Cran	4	5
Mr B Neill	4	5
Mrs V Smith	4	5
Mr D Clarke	4	5
Mr L Foote	5	5
Mrs T Eaton	3	4
Mr P Norton	2	3
Mr M Hooker (invited as a member)	1	1
Mr G Young (invited as a member)	0	1
Mr J Hurd (invited as a member)	0	1

NORTHGATE PRIMARY SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

- Evaluating the staffing structure and reducing the number of temporary staff contracts
- The Trust's key focus is pupil achievement and engagement, with the refreshment and expansion of learning materials and resources to enhance the educational experience a priority.
- The budget setting process prioritises the School Development Plan to ensure funds are targeted to improving pupil achievement
- A number of programmes are in place to target pupils identified by Pupil Premium, Free School Meals, School Action, School Action+ and SEN. These include 1:1 tuition and support in classes and intervention programmes, and the purchase of specific learning resources.
- The School receives additional funds from the Northgate School Association, which enables class teachers to provide additional resources for special projects and events.
- The Business Manager works closely with the Site Manager to identify products and services that can be procured at better value in order to drive down costs and/or negotiate favourable rates. Although not stipulated in the Trust's authorisation limits, at least 3 quotes are sourced for most goods, services and contracts over £1,000.

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 on-going process designed to identify and prioritise the risks to the achievement of 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 Northgate Primary School Trust for the period 1 September 2018 to 31 August 2019 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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

NORTHGATE PRIMARY SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Resources 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint ESS for Schools as Internal Auditor.

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

- Governance and Financial Management
- Banking
- Payroll and expenses
- Income and Expenditure
- Assets

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

Review of effectiveness

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

- the work of the internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 3 December 2019 and signed on their behalf by:

Mrs S Cran
Chair of Trustees

Mrs J Tanner
Accounting Officer

NORTHGATE PRIMARY SCHOOL TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Northgate Primary School Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the 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 Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.

Mrs J Tanner
Accounting Officer
Date: 3 December 2019

NORTHGATE PRIMARY SCHOOL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE PERIOD ENDED 31 AUGUST 2019

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 period. 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 2018 to 2019;
- 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; and
- 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 the Board of Trustees on 3 December 2019 and signed on its behalf by:

Mrs S Cran
Chair of Trustees

NORTHGATE PRIMARY SCHOOL TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTHGATE PRIMARY SCHOOL TRUST

Opinion

We have audited the financial statements of Northgate Primary School Trust (the 'Trust') for the period ended 31 August 2019 which comprise the Statement of Financial Activities, 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 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the period 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 2018 to 2019 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 Auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the 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 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.

NORTHGATE PRIMARY SCHOOL TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTHGATE PRIMARY SCHOOL TRUST (CONTINUED)

Other information

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 Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. 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 including the Strategic 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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, the Trustees (who are also the Directors of the Charitable Company 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

NORTHGATE PRIMARY SCHOOL TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTHGATE PRIMARY SCHOOL TRUST (CONTINUED)

Auditors' 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 Auditors' 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 Auditors' Report.

Use of our report

This Report is made solely to the 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 Trust's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

5 December 2019

NORTHGATE PRIMARY SCHOOL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTHGATE PRIMARY SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7th November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northgate Primary School Trust during the period 1 September 2018 to 31 August 2019 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 Northgate Primary School Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Northgate Primary School Trust and 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 Northgate Primary School Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Northgate Primary School Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Northgate Primary School Trust's funding agreement with the Secretary of State for Education dated 1st August 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by 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 Trust's income and expenditure.

NORTHGATE PRIMARY SCHOOL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTHGATE PRIMARY SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Date: 5 December 2019

NORTHGATE PRIMARY SCHOOL TRUST

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	68,894	41,985	26,477	137,356	64,585
Charitable activities	4	68,626	1,664,763	-	1,733,389	1,664,410
Other trading activities	5	39,510	23	-	39,533	25,518
Investments		431	-	-	431	92
Total income		<u>177,461</u>	<u>1,706,771</u>	<u>26,477</u>	<u>1,910,709</u>	<u>1,754,605</u>
Expenditure on:						
Charitable activities	6	181,933	1,767,971	92,733	2,042,637	1,956,386
Total expenditure		<u>181,933</u>	<u>1,767,971</u>	<u>92,733</u>	<u>2,042,637</u>	<u>1,956,386</u>
Net movement in funds before other recognised gains/(losses)		<u>(4,472)</u>	<u>(61,200)</u>	<u>(66,256)</u>	<u>(131,928)</u>	<u>(201,781)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	21	-	(236,000)	-	(236,000)	125,000
Net movement in funds		<u>(4,472)</u>	<u>(297,200)</u>	<u>(66,256)</u>	<u>(367,928)</u>	<u>(76,781)</u>
Reconciliation of funds:						
Total funds brought forward		67,698	(372,220)	3,906,865	3,602,343	3,679,124
Net movement in funds		(4,472)	(297,200)	(66,256)	(367,928)	(76,781)
Total funds carried forward		<u>63,226</u>	<u>(669,420)</u>	<u>3,840,609</u>	<u>3,234,415</u>	<u>3,602,343</u>

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 25 to 48 form part of these financial statements.

NORTHGATE PRIMARY SCHOOL TRUST
REGISTERED NUMBER: 08128432

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	3,821,195	3,906,865
		3,821,195	3,906,865
Current assets			
Debtors	14	67,453	67,013
Cash at bank and in hand		162,095	137,133
		229,548	204,146
Creditors: amounts falling due within one year	15	(135,328)	(128,668)
		94,220	75,478
Net current assets		94,220	75,478
Total assets less current liabilities		3,915,415	3,982,343
Net assets excluding pension liability		3,915,415	3,982,343
Defined benefit pension scheme liability	21	(681,000)	(380,000)
Total net assets		3,234,415	3,602,343
Funds of the Trust			
Restricted funds:			
Fixed asset funds	16	3,840,609	3,906,865
Restricted income funds	16	11,580	7,780
		3,852,189	3,914,645
Restricted funds excluding pension liability	16	3,852,189	3,914,645
Pension reserve	16	(681,000)	(380,000)
		3,171,189	3,534,645
Total restricted funds	16	3,171,189	3,534,645
Unrestricted income funds	16	63,226	67,698
		3,234,415	3,602,343
Total funds		3,234,415	3,602,343

The financial statements, which include the notes on pages 27 to 48, have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 22 to 48 were approved by the Trustees, and authorised for issue on 03 December 2019 and are signed on their behalf, by:

Mrs S Cran
Chair of Trustees

NORTHGATE PRIMARY SCHOOL TRUST

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	31,594	(49,952)
Cash flows from investing activities	19	(6,632)	(6,439)
Change in cash and cash equivalents in the period		24,962	(56,391)
Cash and cash equivalents at the beginning of the period		137,133	193,524
Cash and cash equivalents at the end of the period	20	<u>162,095</u>	<u>137,133</u>

The notes on pages 25 to 48 from part of these financial statements

NORTHGATE PRIMARY SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Northgate Primary School Trust meets the definition of a public benefit entity under FRS 102.

1.2 Company status

The Trust is a Company limited by guarantee. The Members of the Company are named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The Trust's registered office is Northgate Primary School, 23 Crickfield Lane, Bishop's Stortford, CM23 2SR.

1.3 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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Income

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year 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 grants are reflected in the Balance Sheet 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.

NORTHGATE PRIMARY SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Income (continued)

- **Donations**

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

1.5 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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.8 Taxation

The 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 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.

NORTHGATE PRIMARY SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.9 Tangible fixed assets

Assets costing £1,000 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long term leasehold land	- Straight line basis over the duration of the lease
Long term leasehold property	- 50 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 5 years straight line

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

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 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 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.

NORTHGATE PRIMARY SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.13 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases 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. 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 cost 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 instrument.

1.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

NORTHGATE PRIMARY SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.16 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

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

2. 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 Trustees make 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	68,894	41,985	-	110,879	55,511
Capital grants	-	-	26,477	26,477	9,074
Total 2019	<u>68,894</u>	<u>41,985</u>	<u>26,477</u>	<u>137,356</u>	<u>64,585</u>
Total 2018	<u>27,788</u>	<u>27,723</u>	<u>9,074</u>	<u>64,585</u>	

In 2018, income from donations was £55,511 of which £27,788 was unrestricted and £27,723 restricted.

In 2018, capital grants of £9,074 were in relation to restricted fixed assets.

4. Funding for the Trust's provision of education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,395,772	1,395,772	1,380,081
Other DfE/ESFA grants	-	115,905	115,905	114,465
	<u>-</u>	<u>1,511,677</u>	<u>1,511,677</u>	<u>1,494,546</u>
Other government grants				
Local Authority grants	-	153,086	153,086	116,118
	<u>-</u>	<u>153,086</u>	<u>153,086</u>	<u>116,118</u>
Other funding				
Catering income	68,626	-	68,626	53,746
Total 2019	<u>68,626</u>	<u>1,664,763</u>	<u>1,733,389</u>	<u>1,664,410</u>
Total 2018	<u>53,746</u>	<u>1,610,664</u>	<u>1,664,410</u>	

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

4. Funding for the Trust's provision of education (continued)

In 2018, income from DfE/ESFA grants was £1,494,546 of which all was restricted.

In 2018, income from other Government grants was £116,118 of which all was restricted.

In 2018, income from catering was £53,746 of which all was unrestricted.

5. Other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rental income	38,050	-	38,050	25,394
Other income	1,460	23	1,483	124
Total 2019	39,510	23	39,533	25,518
Total 2018	25,518	-	25,518	

In 2018, rental income was £25,394 of which all was unrestricted.

In 2018, other income was £124 of which all was unrestricted.

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	431	431	92
Total 2018	92	92	

In 2018, all investment income was in relation to unrestricted funds.

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of Education:					
Direct costs	1,311,191	-	163,606	1,474,797	1,427,762
Support costs	148,769	171,696	247,375	567,840	528,624
Total 2019	<u>1,459,960</u>	<u>171,696</u>	<u>410,981</u>	<u>2,042,637</u>	<u>1,956,386</u>
Total 2018	<u>1,446,368</u>	<u>173,773</u>	<u>336,245</u>	<u>1,956,386</u>	

In 2019, of the total expenditure, £181,933 (2018: £149,486) was from unrestricted funds, £1,767,971 (2018: £1,710,050) was from restricted funds and £92,733 (2018: £96,850) was from restricted fixed asset funds.

In 2018, direct expenditure consisted of £1,287,996 staff costs and £139,766 other costs.

In 2018, support expenditure consisted of £158,372 staff costs, £173,773 premises costs and £196,479 other costs.

8. Charitable activities

	2019 £	2018 £
Direct costs	1,474,797	1,427,762
Support costs	567,840	528,624
	<u>2,042,637</u>	<u>1,956,386</u>

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

Charitable activities (continued)

Analysis of support costs

	2019 £	2018 £
Support staff costs	148,769	158,372
Depreciation	92,733	94,307
Technology costs	20,598	19,896
Premises costs (excluding depreciation)	78,963	79,466
Other support costs	199,231	152,494
Governance costs	27,546	24,089
	567,840	528,624
	567,840	528,624

9. Net expenditure

Net expenditure for the period includes:

	2019 £	2018 £
Operating lease rentals	16,593	11,166
Depreciation of tangible fixed assets	92,733	94,307
Fees paid to Auditors for:		
- audit	4,510	4,380
- other services	4,990	4,880
	4,990	4,880
	4,990	4,880

10. Staff costs

a. Staff costs

Staff costs during the period were as follows:

	2019 £	2018 £
Wages and salaries	1,089,494	1,076,658
Social security costs	91,146	88,729
Pension costs	263,637	269,576
	1,444,277	1,434,963
Agency staff costs	15,683	11,405
	1,459,960	1,446,368
	1,459,960	1,446,368

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

10. Staff costs (continued)

a. Staff costs (continued)

b. Staff numbers

The average number of persons employed by the Trust during the period was as follows:

	2019 No.	2018 No.
Teachers	17	17
Administration and support	29	31
Management	9	9
	<u>55</u>	<u>57</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of Thrust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by the key management personnel for their services to the Trust was £504,718 (2018 - £561,263).

Included in the above are employer pension contributions of £71,966 (2018 - £76,851) and employer National Insurance contributions of £41,726 (2018 - £45,901).

NORTHGATE PRIMARY SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Mrs J Tanner, Headteacher	Remuneration	65,000 - 70,000	60,000 - 65,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Mrs C Bull, Staff	Remuneration	35,000 - 40,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mrs T Eaton, Staff (resigned 6 June 2019)	Remuneration	5,000 - 10,000	5,000 - 10,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the period ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust 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 £1,000,000 on any one claim and the cost for the period ended 31 August 2019 was £8,084 (2018 - £9,315). The cost of this insurance is included in the total insurance cost.

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	4,261,000	133,237	106,076	4,500,313
Additions	-	4,887	2,176	7,063
	<u>4,261,000</u>	<u>138,124</u>	<u>108,252</u>	<u>4,507,376</u>
At 31 August 2019	4,261,000	138,124	108,252	4,507,376
Depreciation				
At 1 September 2018	433,450	70,937	89,061	593,448
Charge for the period	71,252	13,250	8,231	92,733
	<u>504,702</u>	<u>84,187</u>	<u>97,292</u>	<u>686,181</u>
At 31 August 2019	504,702	84,187	97,292	686,181
Net book value				
At 31 August 2019	<u>3,756,298</u>	<u>53,937</u>	<u>10,960</u>	<u>3,821,195</u>
At 31 August 2018	<u>3,827,550</u>	<u>62,300</u>	<u>17,015</u>	<u>3,906,865</u>

14. Debtors

	2019 £	2018 £
Trade debtors	5,328	6,392
VAT recoverable	9,227	15,525
Prepayments and accrued income	52,898	45,096
	<u>67,453</u>	<u>67,013</u>

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	28,846	22,551
Other taxation and social security	22,356	23,190
Other creditors	24,993	24,638
Accruals and deferred income	59,133	58,289
	135,328	128,668
	135,328	128,668
	2019 £	2018 £
Deferred income at 1 September 2018	41,874	49,922
Resources deferred during the period	43,718	41,874
Amounts released from previous periods	(41,874)	(49,922)
	43,718	41,874
	43,718	41,874

Resources deferred at the year ended 31 August 2019 relate to contributions towards future educational visits and Universal Infant Free School Meal income.

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	67,698	177,461	(181,933)	-	-	63,226
Restricted general funds						
General Annual Grant (GAG)	-	1,395,772	(1,395,772)	-	-	-
Other DfE/ESFA	-	71,912	(71,912)	-	-	-
Restricted trip donations	-	41,985	(41,985)	-	-	-
Other Government grants	-	153,109	(153,086)	-	-	23
Pupil premium	-	24,413	(17,287)	-	-	7,126
Sports grant	7,780	19,580	(22,929)	-	-	4,431
Pension reserve	(380,000)	-	(65,000)	-	(236,000)	(681,000)
	<u>(372,220)</u>	<u>1,706,771</u>	<u>(1,767,971)</u>	<u>-</u>	<u>(236,000)</u>	<u>(669,420)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	3,906,865	-	(92,733)	7,063	-	3,821,195
Other capital grants	-	17,477	-	-	-	17,477
DFC	-	9,000	-	(7,063)	-	1,937
	<u>3,906,865</u>	<u>26,477</u>	<u>(92,733)</u>	<u>-</u>	<u>-</u>	<u>3,840,609</u>
Total Restricted funds	<u>3,534,645</u>	<u>1,733,248</u>	<u>(1,860,704)</u>	<u>-</u>	<u>(236,000)</u>	<u>3,171,189</u>
Total funds	<u><u>3,602,343</u></u>	<u><u>1,910,709</u></u>	<u><u>(2,042,637)</u></u>	<u><u>-</u></u>	<u><u>(236,000)</u></u>	<u><u>3,234,415</u></u>

NORTHGATE PRIMARY SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

16. Statement of funds (continued)

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

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Sports grant

This represents funds received from ESFA for the support of Sport activities within the School.

Other Government grants

This represents various small grants from local and national government bodies for the provision of specific services to pupils of the School including SEN, SEYFF and UIFSM.

Restricted trips donations

This represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the trips.

Other restricted funds

This represents income from the School Association for specific purposes.

Pension reserve

This fund represents the Trustee's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from a state controlled school.

Restricted fixed assets fund

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

Devolved Formula Capital (DFC)

The Trust is to use the DFC allocation to maintain and improve its buildings & facilities.

General Annual Grant (GAG)

This represents funding from the ESFA to be used for the normal running costs of the Trust, including education and support costs.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

16. Statement of funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	111,224	107,144	(149,486)	(1,184)	-	67,698
Restricted general funds						
General Annual Grant (GAG)	-	1,380,081	(1,380,081)	-	-	-
Other DfE/ESFA	-	68,502	(68,502)	-	-	-
Restricted trip donations	-	27,723	(27,723)	-	-	-
Other Government grants	-	116,118	(116,118)	-	-	-
Pupil Premium	2,259	25,783	(29,226)	1,184	-	-
Sports grant	-	20,180	(12,400)	-	-	7,780
Pension reserve	(429,000)	-	(76,000)	-	125,000	(380,000)
	<u>(426,741)</u>	<u>1,638,387</u>	<u>(1,710,050)</u>	<u>1,184</u>	<u>125,000</u>	<u>(372,220)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	3,994,641	-	(94,307)	6,531	-	3,906,865
DFC	-	9,074	(2,543)	(6,531)	-	-
	<u>3,994,641</u>	<u>9,074</u>	<u>(96,850)</u>	<u>-</u>	<u>-</u>	<u>3,906,865</u>
Total Restricted funds	<u>3,567,900</u>	<u>1,647,461</u>	<u>(1,806,900)</u>	<u>1,184</u>	<u>125,000</u>	<u>3,534,645</u>
Total funds	<u><u>3,679,124</u></u>	<u><u>1,754,605</u></u>	<u><u>(1,956,386)</u></u>	<u><u>-</u></u>	<u><u>125,000</u></u>	<u><u>3,602,343</u></u>

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,821,195	3,821,195
Current assets	59,236	150,898	19,414	229,548
Creditors due within one year	3,990	(139,318)	-	(135,328)
Provisions for liabilities and charges	-	(681,000)	-	(681,000)
Total	<u>63,226</u>	<u>(669,420)</u>	<u>3,840,609</u>	<u>3,234,415</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,906,865	3,906,865
Current assets	67,698	136,448	-	204,146
Creditors due within one year	-	(128,668)	-	(128,668)
Provisions for liabilities and charges	-	(380,000)	-	(380,000)
Total	<u>67,698</u>	<u>(372,220)</u>	<u>3,906,865</u>	<u>3,602,343</u>

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

18. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(131,928)	(201,781)
Adjustments for:		
Depreciation	92,733	94,307
Interest receivable	(431)	(92)
Defined benefit pension scheme finance cost	65,000	76,000
(Increase)/decrease in debtors	(4,430)	19,124
Increase/(decrease) in creditors	10,650	(37,510)
Net cash provided by/(used in) operating activities	31,594	(49,952)

19. Cash flows from investing activities

	2019 £	2018 £
Interest receivable	431	92
Purchase of tangible fixed assets	(7,063)	(6,531)
Net cash used in investing activities	(6,632)	(6,439)

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	162,095	137,133
Total cash and cash equivalents	162,095	137,133

NORTHGATE PRIMARY SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

21. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' 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 Hertfordshire County Council. Both are multi-employer defined benefit 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 £24,476 were payable to the schemes at 31 August 2019 (2018 - £32,201) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

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

NORTHGATE PRIMARY SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

21. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the year amounted to £114,846 (2018 - £177,024).

A copy of the latest valuation report can be found by following this link to the [Teachers' Pension Scheme website](#)

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

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2019 was £118,000 (2018 - £113,000), of which employer's contributions totalled £96,000 (2018 - £92,000) and employees' contributions totalled £ 22,000 (2018 - £21,000). The agreed contribution rates for future years are 21.1 per cent for employers and 5.5 - 12.5% per cent 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.

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

21. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.4	2.5
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.3	2.4
RPI	3.3	3.4

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.5	22.5
Females	23.7	24.9
<i>Retiring in 20 years</i>		
Males	22.3	24.1
Females	25.0	26.7

As at 31 August 2019 the Trust had a pension liability of £681,000 (2018 - £380,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined obligation in the following way;

Sensitivity analysis

	2019 £	2018 £
Discount rate +0.1%	(48,000)	(33,000)
Discount rate -0.1%	48,000	33,000
Mortality assumption - 1 year increase	37,000	68,000
Mortality assumption - 1 year decrease	(37,000)	(68,000)
CPI rate +0.1%	41,000	27,000
CPI rate -0.1%	(41,000)	(27,000)

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

21. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	577,000	523,000
Other bonds	460,000	344,000
Property	94,000	79,000
Cash and other liquid assets	47,000	41,000
Total market value of assets	1,178,000	987,000

The actual return on scheme assets was £89,000 (2018 - £48,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(148,000)	(156,000)
Past service cost	(2,000)	-
Interest income	29,000	22,000
Interest cost	(40,000)	(34,000)
Total amount recognised in the Statement of Financial Activities	(157,000)	(168,000)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	1,367,000	1,267,000
Interest cost	40,000	34,000
Employee contributions	22,000	21,000
Actuarial losses/(gains)	296,000	(99,000)
Benefits paid	(16,000)	(12,000)
Past service costs	2,000	-
Current service cost	148,000	156,000
At 31 August	1,859,000	1,367,000

NORTHGATE PRIMARY SCHOOL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

21. Pension commitments (continued)

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	987,000	838,000
Interest income	29,000	22,000
Actuarial losses	60,000	26,000
Employer contributions	96,000	92,000
Employee contributions	22,000	21,000
Benefits paid	(16,000)	(12,000)
At 31 August	1,178,000	987,000

22. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	14,040	16,593
Later than 1 year and not later than 5 years	42,386	45,369
Later than 5 years	23,762	25,459
	80,188	87,421

23. 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.

NORTHGATE PRIMARY SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2019

24. Related party transactions

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

The partner of member Mr M Hooker is employed by the Trust as a Teaching Assistant. The remuneration package is in line with the standard payscales for the role undertaken and their employment contract is subject to normal terms and conditions.

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11 (2018 - £Nil).