

**NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST 2017**

# **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

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# **NORTHGATE PRIMARY SCHOOL TRUST**

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## **REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND ADVISERS FOR THE PERIOD ENDED 31 AUGUST 2017**

<b>Members</b>	Mr M Hooker Mr J Hurd Mr B Neill Mr G Young Mrs N Brown Mrs S Cran (appointed 16 October 2017)
<b>Trustees</b>	Mr B Neill, Parent Mr J Ronco, Vice Chairman, Community (resigned 31 August 2017) Mrs C Winslow, Vice Chairman, Parent (resigned 5 December 2017) Mrs L Hotson, Headteacher (resigned 31 December 2016) Mr J Hurd, Parent Mr R Newman, Community Mr M Hooker, Community (resigned 31 August 2017) Mr G Young, Community Mrs V Smith, Parent Mrs C Waltham, Community Mrs J Tanner, Headteacher Mrs N Brown, Parent Mr J Glozier, Staff (resigned 31 August 2017) Mrs S Skelton, Community (resigned 31 August 2017) Mrs S Cran, Chair of Trustees Mrs B Long, Community (appointed 23 January 2017) Mrs C Bull, Staff (appointed 16 October 2017) Mrs L Dormandy, Community (appointed 16 October 2017) Mr D Clarke, Community (appointed 13 November 2017)
<b>Company Secretary</b>	Mrs J Lane
<b>Company registered number</b>	08128432
<b>Company name</b>	Northgate Primary School Trust
<b>Registered and principal office</b>	Northgate Primary School Trust Cricketfield Lane Bishop's Stortford Hertfordshire CM23 2RL
<b>Chief Executive Officer</b>	Mrs J Tanner
<b>Senior Leadership Team</b>	Mrs J Tanner, Headteacher Mrs J Lane, Business Manager Miss K Greaves, Deputy Head Mrs R Gavin, Lower KS2 Leader Mrs S Pratt, KS1 Leader Mrs G Aziz, Foundation Stage Leader Mrs H Harding, SENDCo Miss F Jones, Upper KS2 Leader
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

**NORTHGATE PRIMARY SCHOOL TRUST**

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

**Advisers (continued)**

**Bankers**

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

# **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

## **TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2017**

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 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 3 – 11 serving a catchment area in Bishop's Stortford, Hertfordshire. It has a pupil capacity of 480 and had a roll of 457 in the 2017 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**

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

### **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 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 2016/17 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 Board) 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 and the National Governors Association.

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

## **NORTHGATE PRIMARY SCHOOL TRUST**

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

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 Trustees are provided with 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.

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. To this end the Trust provides an internal programme of continued professional development led by School staff and links with a number of local training providers.

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 are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

#### **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 Board, which meets on at least 5 occasions per year and each individual committee at least 6 times per year, is responsible for the strategic direction of the Academy. The Board reviews progress towards educational objectives and results; 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 Board. In addition Trustees are members of at least one sub-committee.

Throughout the year the Finance Committee has met on 4 occasions and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, 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. From April 2017 the Finance Committee merged with the Property Committee and became the Resources Committee. The Resources Committee met on a further 2 occasions this year. The Resources Committee is responsible for all of the monitoring, evaluation and reviewing requirements of the original Finance Committee and this is reflected in their terms of reference.

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 Board as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

#### **Arrangements for setting pay and remuneration of key management personnel**

Key management personnel include Academy 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 Finance Committees and ratified by the Board.

# **NORTHGATE PRIMARY SCHOOL TRUST**

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

### **Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Trust's operations and the composition of the Board 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 a Trustee 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 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

The Trust does not have a formal sponsor.

### **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:

- ensuring an effective leadership team transition to enable the new team to quickly pursue excellence in all of the school's activities;
- establishing a new shared School vision with the stakeholders and clearly articulate this;
- continuing a focus on quality of teaching so 100% is consistently good and 20% is outstanding;
- improving Phonics/Spelling teaching throughout the School, including increasing the Phonic Screening Score from 70% 2016 to over 90% 2017;
- furthering the development of high quality science within the creative curriculum;
- furthering the development of a positive culture through Learning Powers which enable all pupils to reach their full potential;
- continuing to raise pupil progress in writing throughout the School to ensure consistently strong progress across year groups and groups of children, including low attaining, disadvantaged (90% expected progress) and SEN pupils, 80% sufficient progress in writing;
- improving the provision for low attaining, disadvantaged (90% expected progress) and SEN pupils (80% sufficient progress) in Maths;
- ensuring any gaps between areas of learning are closing, in particular boys writing and number; and
- improving the GLD to be at least 85%.

Our success in fulfilling our aims can be measured by:

- Our team being confident of the strengths and weakness of the School, and having a clear vision for improvement
- Parents who are regularly communicated to in the weekly newsletter about areas identified through the 'Vision' sessions with parents e.g. sporting events.
- Information about the vision is shared on the school website.
- 94% of teaching being good or above, 31% good with outstanding features plus 6% outstanding teaching
- A positive learning culture, where the attributes of successful learning are clearly and regularly shared, has been developed, including through 'Learner of the Week' in the achievement assembly. This is shared with parents through the weekly newsletter.
- The use of the Teaching and Learning (T&L) Record has been developed this year so each teacher has record of their strengths and areas of development across the year.
- The quality of first teaching in phonics.
- Regular mock phonics testing with gap analysis.
- Regular teaching of phonics outside the phonics session.

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

- Teacher subject knowledge and confidence being raised through training and watching others teach sessions within Science Week
- Increasing resources as a result of funding from a grant.
- Risk assessments being updated to support current teaching.
- Children being aware of all the different learning powers and some of the skills linked to each
- Celebrating the achievement of learning powers - where teachers and children articulate how skills have been shown
- Developing the concept of teaching writing skills that are not context based.
- The use of ITAF statements as a basis for LI/SC and for assessment
- Scaffolds are generally being provided that are specific to the LI and SC being taught.
- The use of successful intervention strategies such as cut up sentences and matching activities have enabled SEN pupils to begin writing and move on to independent writing. Sound buttons have been used successfully to aid retention.
- Thorley based programmes making good impact
- Extra teacher in Year 6 impacting progress.
- Switching interventions where not making impact.
- This year by the end of EYFS, the attainment gap has significantly closed.
- Teaching and learning improving as a result of;
  - developing questioning skills to challenge children and taking the learning to their interests; and
  - sharing and reflecting on good practice

#### **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 continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

The school has a range of evidence to support the judgement that all year groups make strong progress, develop secure knowledge, understanding and skills, considering different starting points. There is early evidence that current pupils are beginning to make substantial and sustained progress more consistently across year groups. Leaders set challenging targets for pupils considering their different starting points and monitor and evaluate the impact of actions taken.

There are very small numbers of disadvantaged pupils across the school. These pupils at the end of key stages have performed well compared to national other and other pupils in the school with the same starting point in reading and mathematics. The one pupil not reaching the expected standard in writing made strong progress in year 6.

Pupils in year 1 achieve highly in the national phonics check and there has been an increase of +20% compared to 2016.

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.

Senior leaders are able to talk confidently about individual children with other vulnerabilities i.e. SEND and EAL. There are very small numbers across the school. Verbal case studies indicate these children make good progress given their starting points. End of key stage outcomes show these pupils achieve well.

##### **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 2016-17 were 457 against a forecast of 470.



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

Another key financial performance indicator is staffing costs as a percentage of total income. For 2016/17 this was 78.77% against set parameters of 80 – 85%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by the Board.

The Finance and Premises 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 Board 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 2017 the Trust received £1,804,108 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 £1,859,168 on general running costs (excluding depreciation) and transferred £36,277 to support capital new build and improvement projects on the School site. The Academy brought forward from 15/16, £10,949 restricted funds and £85,744 unrestricted funding. The carry forward for 16/17 is £2,259 restricted funding and £111,224 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 £429,000. 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 Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £111,224. 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 2017 was £113,483.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £193,524. 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.

### **Investment Policy**

Investment policy and procedure form part of the Academies Financial Regulations (section 10.2) which was approved by the Board on 12th October 2016. 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.

# **NORTHGATE PRIMARY SCHOOL TRUST**

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

### **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 Finance 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 EFA, 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 EFA 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.

### **Plans for Future Periods**

#### **Effective of Leadership**

- To develop ways in which best practice is shared both within School and with other schools locally.

#### **Outcomes for Pupils**

- to raise the attainment of SEN (some of whom will be disadvantaged) pupils in English and Maths by the end of Key Stage 1 so that the proportion is above the national average for SEN pupils;
- to improve progress of low attaining pupils, SEN and pupil premium pupils in KS2 in Maths and Writing to close the gap with other pupils; and
- to reduce the gender gap particular for cohort, e.g. more able boys in FS, more able girls Maths (girls) and Writing (boys).

## **NORTHGATE PRIMARY SCHOOL TRUST**

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

Quality of teaching, learning and assessment

- to develop further high quality science throughout the school;
- to develop further high quality computing within the creative curriculum; and
- to enhance learning through the development of outdoor learning across the curriculum.

Personal development, behaviour and welfare

- to continue to embed a positive behaviour culture.

Effectiveness of Early Years provision

- to develop strong self-evaluation and actions for improvement through gaining the national quality mark; and
- to ensure good progress in Literacy and Maths, particularly in Nursery.

#### **Wrap Around Care**

In order to fulfil our commitment to provide 30 hour childcare entitlement from September 2017. We have worked closely with our 'Out of School Childcare Provider' to establish a facility within School that ensures a full commitment by both the School and the provider to establish a safe and secure environment for all children contained on the School site. The new facility will open on 4th September 2017 and is placed at the front of the School adjacent to our Foundation Stage classrooms and in particular our Nursery. The provider (Little Ladybirds) now runs a pre-school for 2-3 year olds in addition supporting working parents and offering the additional hours required by the parents of our Nursery children. Both Little Ladybirds and Northgate Primary School staff work as one team, collaborating daily and sharing information to ensure that all of the children's needs are met, both academically and on a more personal / social level.

There are also plans to fence off some of the area at the front of the School to enable the creation of an outdoor learning space where the Pre-school children can play and feel safe.

#### **Infrastructure**

Over the coming year plans are being developed to build upon the ICT infrastructure upgrade that happened over the 2017 summer break. We are working closely with our ICT specialists to formulate a strategic ICT plan to move the School forward with both its administrative and curriculum requirements for ICT which will future proof the School and ensure that we will be ready to embrace up and coming technologies.

#### **HEMAT**

As well as continuing to work closely with the Herts & Essex High School on a consultancy basis to support their proposed sponsorship of 3/4 new schools in the local area that will form part of a multi academy trust, Northgate is also investigating the possibility of becoming involved in a local Primary School MAT with the possible intention of building strong relationships with our local schools. This would enable access to economies of scale through procurement and resourcing, collaboration in teaching and learning and recruitment and retainment opportunities for staff.

#### **Building Developments**

To continue our building re-organisation programme we will be investigating further internal alteration possibilities to enable the creation of two further group rooms for the teaching of intervention programmes for our SEN and Disadvantaged pupils.

Opportunities to create further storage for resources are also being discussed and the implementation of a decoration programme to help improve the internal look of the School, creating a more pleasant and efficient working environment for both staff and pupils.

#### **Funds Held as Custodian Trustee on Behalf of Others**

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

**NORTHGATE PRIMARY SCHOOL TRUST**

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

**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 Board on 6 December 2017 and signed on the Board's behalf by

**Mrs S Cran  
Chair of Trustees**

# **NORTHGATE PRIMARY SCHOOL TRUST**

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## **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 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. They are also responsible for reporting to the Board 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 has formally met 5 times during the period. Attendance during the period at meetings of the Board was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Neill, Parent	4	5
Mr J Ronco, Vice Chairman, Community	5	5
Mrs C Winslow, Vice Chairman, Parent	1	1
Mrs L Hotson, Headteacher	2	2
Mr J Hurd, Parent	3	5
Mr R Newman, Community	2	5
Mr M Hooker, Community	3	5
Mr G Young, Community	2	5
Mrs V Smith, Parent	5	5
Mrs C Waltham, Community	5	5
Mrs J Tanner, Headteacher	5	5
Mrs N Brown, Parent	4	5
Mr J Glozier, Staff	5	5
Mrs S Skelton, Community	5	5
Mrs S Cran, Chair of Trustees	5	5
Mrs B Long, Community	3	3
Mrs C Bull, Staff	0	0
Mrs L Dormandy, Community	0	0
Mr D Clarke, Community	0	0

During the period 1 September 2016 and 31 August 2017 the following changes took place in the Board

Governors that have stepped down

- Louisa Hotson (Headteacher)
- Malcolm Hooker
- Sue Skelton
- John Ronco
- Charlotte Winslow

New Governors

- Jane Tanner (Headteacher)
- Barbara Long

Nana Brown took over as a Member from Janet Goldsworthy.

Recruitment of new Governors has been a challenge, which is being addressed through SGOSS and Northgate Newsletters. Recruitment is being done based on skills required with a short list of candidates being considered during the autumn term. The trust is set to review its governance during Spring term 2018.

## NORTHGATE PRIMARY SCHOOL TRUST

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### GOVERNANCE STATEMENT (continued)

The Resources Committee is a sub-committee of the Board. Its purpose is to provide critique and support to the SLT & board in the setting and execution of the School financial plan and associated risk management. Ensuring sound budgeting practises are deployed to enable executions of the School development plan. The Resource Committee, via the sub-committee acts as an Audit Committee.

The committee name was changed from Finance Committee to Resources Committee, to incorporate Property and streamline the committees. From January 2017 the Headteacher changed from Louisa Hotson to Jane Tanner. We have focused on recruiting a Governor with appropriate training and skills for the finance committee as part of the current process.

Key challenges have continued to be delivering a balanced budget. Particular points managed this year have been Headteacher recruitment and staffing costs as well as additional cost involved from meeting safeguarding compliance.

The Resource Committee, via a sub-committee acts as an Audit Committee. When sitting as an Audit Committee, the Audit committee meeting is chaired by the Audit Committee Chair, who is not the Resource Committee Chair.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L Hotson, Headteacher	2	2
Mr B Neill, Parent	4	6
Mr M Hooker, Community	5	6
Mr J Hurd, Parent	3	6
Mr R Newman, Community	2	6
Mr G Young, Community	5	6
Mr J Ronco, Vice Chairman, Community	2	2
Mrs V Smith, Parent	1	2
Ms J Tanner, Headteacher	5	5
Mrs N Brown, Parent	4	6

### REVIEW OF VALUE FOR MONEY

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

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

- Continue to reduce the cost of supply cover, HLTA's are deployed to cover whole classes throughout the year for sickness and training absences as well as PPA.
- Members of SLT carrying out lunchtime duties where absences have put pressure on staffing rather than obtaining supply cover.
- SLT carrying out interventions and additional support sessions rather than bringing in additional teachers to do this.
- The Telephone contract being re-negotiated this year to make savings.
- Out sourcing our ICT Support which will be a saving across the year and also benefit the School in moving forward with ICT.
- Continuing to use the RPA scheme rather than an external insurer. This has made significant savings on insurance costs.
- Increasing future use of the School premises through additional evening, weekend and holiday hirings to increase our hirings income. The School now provides holiday clubs for working parents throughout the entire year.
- Employing a site Manager with carpentry / building and maintenance skills that will result in fewer contractors having to complete general repairs etc
- Re-negotiating the catering contract giving us more benefits and a cashback incentive scheme when our meal numbers increase.
- Outsourcing our 30 hour provision resulting in fewer members of staff being required in the Nursery. Staff have been deployed elsewhere which has minimised recruitment and staffing costs.

## **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT (continued)**

#### **THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northgate Primary School Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

EES for Schools have been appointed to provide an Internal Controls Evaluation Service for The Trust. The service provided complies with Section 2.4 of the Academies Financial Handbook where it is stated that 'the trust must have in place a process for checking its financial systems, controls, transactions and risks'. They provide support to the Resources Committee and appointed Responsible Officer to ensure compliance with this requirement. They also ensure that the academies Accounting Officer's 'statement on regularity, propriety and compliance' included within these financial statements is being carried out in practise.

The standard programme of work includes three on-site visits during a financial year, which are normally one visit each term. Visit dates would be agreed in advance to try and ensure key Academy staff are available which will help each visit go smoothly. Prior to each visit a detailed list of the required supporting information and documentation will be sent to the Academy to aid preparation. The team of ICE consultants include a number of professionally qualified accountants who have experience of working in both commercial and educational establishments.

Standard Internal Controls Evaluation (ICE) templates are used to review and test the Academy's internal controls and procedures. These templates are regularly reviewed and updated to incorporate legislative changes, updated ESFA guidance, and guidance offered by statutory auditors. The evaluation is designed to provide Members/Trustees with a level assurance that appropriate financial controls are in place within the Trust for which they have responsibility, and include testing of adherence to the approved Schemes of Delegation of Financial Power and compliance with the Academies Financial Regulations.

#### **CAPACITY TO HANDLE RISK**

The Board have reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board.

#### **THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board;
- 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 has considered the need for a specific internal audit function and has decided to appoint Essex County Council as Internal Auditor.

## **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT (continued)**

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

Northgate Primary School is compliant in all areas and all visits were carried out as planned.

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

There were no material control issues identified in their investigations.

### **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 Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board on 6 December 2016 and signed on their behalf, by:

**Mrs S Cran**  
**Chairman**

**Mrs J Tanner**  
**Accounting Officer**



## **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

I have worked closely with my predecessor and 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: 6 December 2017

## **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

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

The Trustees (who act as Governors of Northgate Primary School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; 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 on 6 December 2017 and signed on its behalf by:

**Mrs S Cran**  
**Chair of Trustees**

# **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

## **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 'Academy Trust') for the period ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources 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 2016 to 2017 issued by the Education and Skills Funding Agency.

### **BASIS OF OPINION**

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

### **CONCLUSIONS RELATING TO GOING CONCERN**

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

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

### **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 Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

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

#### **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, (incorporating the Strategic Report and the Directors Report) for which the financial statements have been prepared is consistent with the financial statements; and
- the Strategic Report and the Directors Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors 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 not made; or
- we have not received all the information and explanations we require for our audit.

#### **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the 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 Academy 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

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

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

Gary Miller (Senior Statutory Auditor)  
for and on behalf of

**Price Bailey LLP**

Chartered Accountants, Statutory Auditors  
Causeway House, 1 Dane Street,  
Bishops Stortford, Hertfordshire, CM23 3BT  
Date: 8 December 2017

# **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

## **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NORTHGATE PRIMARY SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 18th October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northgate Primary School Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to 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 the ESFA those matters we are required to state in a Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Northgate Primary School Trust and the 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **APPROACH**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- 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, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

**NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NORTHGATE  
PRIMARY SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

**CONCLUSION**

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

Reporting Accountant

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Date: 08 December 2017

# NORTHGATE PRIMARY SCHOOL TRUST

(A Company Limited by Guarantee)

## STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	25,597	31,883	65,020	122,500	59,305
Charitable activities	3	53,105	1,665,441	-	1,718,546	1,677,312
Other trading activities	4	27,948	-	-	27,948	13,526
Investments	5	134	-	-	134	436
<b>TOTAL INCOME</b>		<u>106,784</u>	<u>1,697,324</u>	<u>65,020</u>	<u>1,869,128</u>	<u>1,750,579</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		<u>81,334</u>	<u>1,721,737</u>	<u>147,988</u>	<u>1,951,059</u>	<u>1,945,617</u>
<b>TOTAL EXPENDITURE</b>	6	<u>81,334</u>	<u>1,721,737</u>	<u>147,988</u>	<u>1,951,059</u>	<u>1,945,617</u>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<u>25,450</u>	<u>(24,413)</u>	<u>(82,968)</u>	<u>(81,931)</u>	<u>(195,038)</u>
Transfers between funds	15	-	(36,277)	36,277	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<u>25,450</u>	<u>(60,690)</u>	<u>(46,691)</u>	<u>(81,931)</u>	<u>(195,038)</u>
Actuarial gains/(losses) on defined benefit pension schemes	20	-	227,000	-	227,000	(226,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>25,450</u>	<u>166,310</u>	<u>(46,691)</u>	<u>145,069</u>	<u>(421,038)</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		<u>85,774</u>	<u>(593,051)</u>	<u>4,041,332</u>	<u>3,534,055</u>	<u>3,955,093</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>111,224</u></u>	<u><u>(426,741)</u></u>	<u><u>3,994,641</u></u>	<u><u>3,679,124</u></u>	<u><u>3,534,055</u></u>

# NORTHGATE PRIMARY SCHOOL TRUST

(A Company Limited by Guarantee)

REGISTERED NUMBER: 08128432

## BALANCE SHEET AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	12		3,994,641		4,041,332
<b>CURRENT ASSETS</b>					
Debtors	13	86,137		55,052	
Cash at bank and in hand	18	193,524		248,490	
			<u>279,661</u>	<u>303,542</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(166,178)		(206,819)	
<b>NET CURRENT ASSETS</b>			<u>113,483</u>		<u>96,723</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,108,124</u>		<u>4,138,055</u>
Defined benefit pension scheme liability	20		(429,000)		(604,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>3,679,124</u></u>		<u><u>3,534,055</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	15	2,259		10,949	
Restricted fixed asset funds	15	3,994,641		4,041,332	
			<u></u>	<u></u>	
Restricted income funds excluding pension liability		3,996,900		4,052,281	
Pension reserve		(429,000)		(604,000)	
			<u></u>	<u></u>	
Total restricted income funds			3,567,900		3,448,281
Unrestricted income funds	15		111,224		85,774
<b>TOTAL FUNDS</b>			<u><u>3,679,124</u></u>		<u><u>3,534,055</u></u>

The financial statements on pages 21 to 40 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:

**Mrs S Cran**  
Chair of Trustees



**NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

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

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	17	(9,900)	10,139
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Interest received		134	436
Purchase of tangible fixed assets		(45,200)	(11,928)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(45,066)	(11,492)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the period</b>		(54,966)	(1,353)
Cash and cash equivalents brought forward		248,490	249,843
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>		193,524	248,490
		<hr/> <hr/>	<hr/> <hr/>

# **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017**

### **1. ACCOUNTING POLICIES**

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

#### **1.1 Basis of preparation of financial statements**

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

Northgate Primary School Trust constitutes a public benefit entity as defined by FRS 102.

The Trusts functional and presentational currency is Pounds Sterling.

#### **1.2 Company status**

The Trust is a company limited by guarantee. The Members are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Academy's registered office is Northgate Primary School, 23 Cricketfield Lane, Bishop's Stortford, CM23 2SR.

#### **1.3 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 Department for Education where the asset acquired or created is held for a specific purpose.

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

#### **1.4 Income**

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

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

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

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

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

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

# **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017**

### **1. ACCOUNTING POLICIES (continued)**

#### **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.

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

All expenditure is inclusive of irrecoverable VAT.

#### **1.6 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 ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.7 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	Straight line basis over the duration of the lease
Long term leasehold property	-	50 years straight line
Office equipment	-	5 years straight line
Computer equipment	-	3 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 incorporating Income and Expenditure Account.

#### **1.8 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

# **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017**

### **1. ACCOUNTING POLICIES (continued)**

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

#### **1.10 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 and provisions**

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

#### **1.13 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

#### **1.14 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

# NORTHGATE PRIMARY SCHOOL TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 1. ACCOUNTING POLICIES (continued)

The LGPS is a funded 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 incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	25,597	31,883	-	57,480	50,262
Capital grants	-	-	65,020	65,020	9,043
	<u>25,597</u>	<u>31,883</u>	<u>65,020</u>	<u>122,500</u>	<u>59,305</u>
<i>Total 2016</i>	<u>23,409</u>	<u>26,853</u>	<u>9,043</u>	<u>59,305</u>	

# NORTHGATE PRIMARY SCHOOL TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,389,566	1,389,566	1,411,328
Other DfE / ESFA grants	-	105,519	105,519	110,932
	-	1,495,085	1,495,085	1,522,260
<b>Other government grants</b>				
Local Authority grants	-	170,356	170,356	104,199
	-	170,356	170,356	104,199
<b>Other funding</b>				
Catering income	53,105	-	53,105	50,853
	53,105	-	53,105	50,853
	53,105	1,665,441	1,718,546	1,677,312
<i>Total 2016</i>	50,853	1,626,459	1,677,312	

### 4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rental income	12,524	12,524	7,444
Other income	15,424	15,424	6,082
	27,948	27,948	13,526
<i>Total 2016</i>	13,526	13,526	

### 5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank Interest	134	134	436
<i>Total 2016</i>	436	436	

# NORTHGATE PRIMARY SCHOOL TRUST

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of education:					
Direct costs	1,215,487	-	136,231	1,351,718	1,355,390
Support costs	139,127	223,532	236,682	599,341	590,227
	<u>1,354,614</u>	<u>223,532</u>	<u>372,913</u>	<u>1,951,059</u>	<u>1,945,617</u>
<b>Total 2016</b>	<u><u>1,351,843</u></u>	<u><u>233,685</u></u>	<u><u>360,089</u></u>	<u><u>1,945,617</u></u>	

### 7. CHARITABLE ACTIVITIES

	2017 £	2016 £
Direct costs	1,351,718	1,355,390
Support costs	599,341	590,227
	<u>1,951,059</u>	<u>1,945,617</u>

	2017 £	2016 £
Analysis of support costs		
Support staff costs	139,127	146,858
Depreciation	91,891	103,055
Technology costs	5,418	4,683
Premises costs (excluding depreciation)	131,641	130,630
Other support costs	197,403	181,175
Govenance costs	33,861	23,826
	<u>599,341</u>	<u>590,227</u>

### 8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned or leased by the Academy Trust	91,891	103,055
Auditors' remuneration - audit	4,250	4,250
Auditors' remuneration - other services	4,700	6,497
Operating lease rentals	4,539	1,835
	<u><u>105,380</u></u>	<u><u>115,637</u></u>

# NORTHGATE PRIMARY SCHOOL TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,026,690	1,073,900
Social security costs	84,492	76,671
Operating costs of defined benefit pension schemes	236,686	188,432
	<u>1,347,868</u>	<u>1,339,003</u>
Supply teacher costs	6,746	12,840
	<u>1,354,614</u>	<u>1,351,843</u>

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

	2017 No.	2016 No.
Teachers	23	25
Administration and support	32	35
Management	4	3
	<u>59</u>	<u>63</u>

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	0	1

The key management personnel of the Trust 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 key management personnel for their services to the Trust was £461,223 (2016: £344,110).

Included in the above are employer pension contributions of £63,030 (2016: £46,983) and employer National Insurance contributions of £39,057 (2016: £25,088).

### 10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017 £	2016 £
Mrs L Hotson	Remuneration	20,000-25,000	65,000-70,000
	Pension contributions paid	0-5,000	10,000-15,000
Mrs J Tanner	Remuneration	50,000-55,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mr J Glozier	Remuneration	35,000-40,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000

During the period, no Trustees received reimbursement of expenses in pursuance of their employment (2016 - £NIL).



# NORTHGATE PRIMARY SCHOOL TRUST

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 11. TRUSTEES' AND OFFICERS' INSURANCE

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

### 12. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2016	4,261,000	95,838	91,744	4,448,582
Additions	-	36,259	8,941	45,200
At 31 August 2017	4,261,000	132,097	100,685	4,493,782
<b>Depreciation</b>				
At 1 September 2016	290,946	43,010	73,294	407,250
Charge for the period	71,252	11,335	9,304	91,891
At 31 August 2017	362,198	54,345	82,598	499,141
<b>Net book value</b>				
At 31 August 2017	3,898,802	77,752	18,087	3,994,641
At 31 August 2016	3,970,054	52,828	18,450	4,041,332

### 13. DEBTORS

	2017 £	2016 £
Trade debtors	7,832	804
VAT recoverable	30,150	21,700
Prepayments and accrued income	48,155	32,548
	<u>86,137</u>	<u>55,052</u>

### 14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	54,604	37,986
Other taxation and social security	22,820	24,072
Other creditors	24,188	23,570
Accruals and deferred income	64,566	121,191
	<u>166,178</u>	<u>206,819</u>

# NORTHGATE PRIMARY SCHOOL TRUST

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 14. CREDITORS: Amounts falling due within one year (continued)

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	113,394	50,972
Resources deferred during the year	49,922	113,394
Amounts released from previous years	(113,394)	(50,972)
	<u>49,922</u>	<u>113,394</u>
Deferred income at 31 August 2017	<u>49,922</u>	<u>113,394</u>

Resources deferred at the year ended 31 August 2017 relate to contributions towards future educational visits and Universal free School Meal income for the 2018 academic year.

### 15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted funds	85,774	106,784	(81,334)	-	-	111,224
	<u>85,774</u>	<u>106,784</u>	<u>(81,334)</u>	<u>-</u>	<u>-</u>	<u>111,224</u>
<b>Restricted funds</b>						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	1,389,566	(1,353,289)	(36,277)	-	-
Pupil premium	10,949	26,885	(35,575)	-	-	2,259
SEN	-	5,640	(5,640)	-	-	-
Restricted trip donations	-	31,883	(31,883)	-	-	-
Other Government grants	-	18,960	(18,960)	-	-	-
UIFSM	-	59,674	(59,674)	-	-	-
SEYFF	-	164,716	(164,716)	-	-	-
Pension reserve	(604,000)	-	(52,000)	-	227,000	(429,000)
	<u>(593,051)</u>	<u>1,697,324</u>	<u>(1,721,737)</u>	<u>(36,277)</u>	<u>227,000</u>	<u>(426,741)</u>

# NORTHGATE PRIMARY SCHOOL TRUST

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 15. STATEMENT OF FUNDS (continued)

#### Restricted fixed asset funds

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Restricted fixed asset funds	4,041,332	-	(91,891)	45,200	-	3,994,641
Devolved Formula Capital (DFC)	-	8,923	-	(8,923)	-	-
Condition Improvement Funding (CIF)	-	56,097	(56,097)	-	-	-
	<u>4,041,332</u>	<u>65,020</u>	<u>(147,988)</u>	<u>36,277</u>	<u>-</u>	<u>3,994,641</u>
Total restricted funds	<u>3,448,281</u>	<u>1,762,344</u>	<u>(1,869,725)</u>	<u>-</u>	<u>227,000</u>	<u>3,567,900</u>
Total of funds	<u>3,534,055</u>	<u>1,869,128</u>	<u>(1,951,059)</u>	<u>-</u>	<u>227,000</u>	<u>3,679,124</u>

#### STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted funds	172,347	88,224	(174,797)	-	-	85,774
	<u>172,347</u>	<u>88,224</u>	<u>(174,797)</u>	<u>-</u>	<u>-</u>	<u>85,774</u>

#### Restricted funds

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	-	1,411,328	(1,399,400)	(11,928)	-	-
Pupil premium	1,418	33,058	(23,527)	-	-	10,949
SEN	-	7,374	(7,374)	-	-	-
Restricted trip donations	-	26,853	(26,853)	-	-	-
Other Government grants	4,606	16,038	(20,644)	-	-	-
UIFSM	-	61,836	(61,836)	-	-	-
SEYFF	-	96,825	(96,825)	-	-	-
Pension reserve	(361,000)	-	(17,000)	-	(226,000)	(604,000)
	<u>(354,976)</u>	<u>1,653,312</u>	<u>(1,653,459)</u>	<u>(11,928)</u>	<u>(226,000)</u>	<u>(593,051)</u>

# NORTHGATE PRIMARY SCHOOL TRUST

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 15. STATEMENT OF FUNDS (continued)

#### Restricted fixed asset funds

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
Restricted fixed asset funds	4,132,459	-	(103,055)	11,928	-	4,041,332
Devolved Formula Capital (DFC)	5,263	9,043	(14,306)	-	-	-
	<u>4,137,722</u>	<u>9,043</u>	<u>(117,361)</u>	<u>11,928</u>	<u>-</u>	<u>4,041,332</u>
Total restricted funds	<u>3,782,746</u>	<u>1,662,355</u>	<u>(1,770,820)</u>	<u>-</u>	<u>(226,000)</u>	<u>3,448,281</u>
Total of funds	<u>3,955,093</u>	<u>1,750,579</u>	<u>(1,945,617)</u>	<u>-</u>	<u>(226,000)</u>	<u>3,534,055</u>

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.

#### **Special Educational Needs (SEN)**

This represents allocated funding for special educational needs pupils.

#### **Single Early Years Funding Formula (SEYFF)**

This is funds received from the Local Authority to support the provision of nursery services.

#### **Universal Infant Free School Meals (UIFSM)**

The represents funds received from the ESFA for the provision of free school meals for infants.

#### **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.

#### **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. The transfer out of £16,000 represents transfers to the restricted fixed assets fund for assets purchased during the year.

#### **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.

# NORTHGATE PRIMARY SCHOOL TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 15. STATEMENT OF FUNDS (continued)

#### 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. The transfer in of £11,928 represents the costs of assets acquired in the year which have been funded through GAG funds.

#### Devolved Formula Capital (DFC)

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

#### General Annual Grant (GAG)

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

### 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,994,641	3,994,641
Current assets	277,402	2,259	-	279,661
Creditors due within one year	-	(166,178)	-	(166,178)
Provisions for liabilities and charges	-	(429,000)	-	(429,000)
	<u>111,224</u>	<u>(426,741)</u>	<u>3,994,641</u>	<u>3,679,124</u>

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	4,041,332	4,041,332
Current assets	85,774	217,768	-	303,542
Creditors due within one year	-	(206,819)	-	(206,819)
Provisions for liabilities and charges	-	(604,000)	-	(604,000)
	<u>85,774</u>	<u>(593,051)</u>	<u>4,041,332</u>	<u>3,534,055</u>

**NORTHGATE PRIMARY SCHOOL TRUST**

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

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(81,931)	(195,038)
<b>Adjustment for:</b>		
Depreciation charges	91,891	103,055
Dividends, interest and rents from investments	(134)	(436)
Increase in debtors	(31,085)	(2,880)
(Decrease)/increase in creditors	(40,641)	88,438
Defined benefit pension scheme finance cost	52,000	17,000
<b>Net cash (used in)/provided by operating activities</b>	<b>(9,900)</b>	<b>10,139</b>

# NORTHGATE PRIMARY SCHOOL TRUST

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	193,524	248,490
Total	193,524	248,490

### 19. 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.

### 20. PENSION COMMITMENTS

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

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

Contributions amounting to £24,092 were payable to the schemes at 31 August 2017 (2016 - 23,570) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

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

# NORTHGATE PRIMARY SCHOOL TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 20. PENSION COMMITMENTS (continued)

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

The employer's pension costs paid to TPS in the period amounted to £111,371 (2016 - £109,392).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £105,000 (2016 - £95,000), of which employer's contributions totalled £86,000 (2016 - £78,000) and employees' contributions totalled £19,000 (2016 - £17,000). The agreed contribution rates for future years are 25.3% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	1,236,592	1,113,616
Discount rate -0.1%	1,297,408	1,168,384
Mortality assumption - 1 year increase	1,251,796	1,134,154
Mortality assumption - 1 year decrease	1,282,204	1,147,846
CPI rate +0.1%	1,292,340	1,159,256
CPI rate -0.1%	1,241,660	1,122,744



# NORTHGATE PRIMARY SCHOOL TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

### 20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	544,700	338,310
Other bonds	209,500	150,360
Property	58,660	37,590
Cash and other liquid assets	25,140	10,740
	<u>838,000</u>	<u>537,000</u>
Total market value of assets	<u>838,000</u>	<u>537,000</u>

The actual return on scheme assets was £209,000 (2016 - £67,000).

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

	2017 £	2016 £
Current service cost	(126,000)	(82,000)
Interest income	12,000	16,000
Interest cost	(24,000)	(29,000)
	<u>(138,000)</u>	<u>(95,000)</u>
Total	<u>(138,000)</u>	<u>(95,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,141,000	743,000
Current service cost	126,000	82,000
Interest cost	24,000	29,000
Employee contributions	19,000	17,000
Actuarial (gains)/losses	(30,000)	277,000
Benefits paid	(13,000)	(7,000)
	<u>1,267,000</u>	<u>1,141,000</u>
Closing defined benefit obligation	<u>1,267,000</u>	<u>1,141,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	537,000	382,000
Interest income	12,000	16,000
Actuarial losses	197,000	51,000
Employer contributions	86,000	78,000
Employee contributions	19,000	17,000
Benefits paid	(13,000)	(7,000)
	<u>838,000</u>	<u>537,000</u>
Closing fair value of scheme assets	<u>838,000</u>	<u>537,000</u>

# **NORTHGATE PRIMARY SCHOOL TRUST**

**(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017**

### **21. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	12,999	1,203
Between 1 and 5 years	22,047	3,977
Total	<u>35,046</u>	<u>5,180</u>

### **22. RELATED PARTY TRANSACTIONS**

There were no other related party transactions during the year (2016 - £Nil).

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