

Company Registration Number: 08172039 (England & Wales)

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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NORTHAMPTON PRIMARY ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs C Fazackerley (resigned 19 November 2018) Mr P Hall-Jones Mr S Richards Mr C Malpas Mrs C Waterman (appointed 1 May 2019) Mr A White
Trustees	Ms J Kedwards, CEO & Accounting Officer Mr T Rees Mr S Lock Mr J Fazackerley (appointed 12 November 2018) Mr A White, Chair of Trustees Mrs J Clarke (resigned 24 March 2019) Mrs U Dudley (resigned 20 December 2018) Mr N Wilson (appointed 28 September 2018, resigned 18 October 2019) Rev D G Kirby (resigned 27 October 2018) Mr G Smith Mrs J Stapleton (appointed 5 February 2019) Mr J Stockdale (appointed 28 August 2019)
Company registered number	08172039
Company name	Northampton Primary Academy Trust
Principal and registered office	Headlands Primary School Bushland Road Northampton Northamptonshire NN3 2NS
Company secretary	Mrs A Booth
Senior management team	Ms J Kedwards, Chief Executive Officer Mr I Sharpe, Chief Operations Officer Mr T Rees, Education Director - Resigned 31 August 2019 Mr M Rapps, Executive Headteacher Mrs L Cichuta, Headteacher - Abington Vale Primary Mrs B Williams, Head of School - Blackthorn Primary Mrs R Arundel, Headteacher - East Hunsbury Primary Mrs D Archer, Joint Headteacher - Ecton Brook Primary Mr N Woods, Joint Headteacher - Ecton Brook Primary Mr D Smith, Headteacher - Headlands Primary Mrs J Ramshaw, Executive Headteacher - Lings Primary Mr M Bushell, Head of School - Lings Primary Mrs E Jacox, Head of School - Lings Primary Ms S Heslop, Headteacher - Rectory Farm Primary Mrs J Fennelly, Headteacher - Simon de Senlis Primary Mrs M Dunkley, Headteacher - Thorplands Primary - Resigned 31 August 2019 Mrs S Mawer, Headteacher - Thorplands Primary - Appointed 1 September 2019 Mrs C Searing, Headteacher - Upton Meadows Primary

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

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

Bankers Lloyds Bank plc
PO Box 1000
Andover
BX1 1LT

Solicitors Browne Jacobson LLP
44 Castle Gate
Nottingham
NG1 7BJ

NORTHAMPTON PRIMARY ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates 10 Academies for pupils aged 4-11 serving a catchment area in Northampton. Its academies have a combined pupil capacity of 4,057 and had a roll of 3,929 in the last School census in October 2019.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Northampton Primary Academy Trust (NPAT) are also the directors of the charitable company for the purposes of company law.

The Charitable Company is known as Northampton Primary Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of Trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was included in the total insurance cost of £65,781

Method of recruitment and appointment or election of Trustees

The NPAT Members are responsible for appointing Trustees. We have successfully recruited new members and Trustees via Academy Ambassadors, Inspiring Governance and LinkedIn. The board of Trustees is made up of skilled professionals from the field of education and business and finance from both the public and private sector.

Policies adopted for the induction and training of Trustees

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

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

Structure, governance and management (continued)

Organisational structure

The Trust comprises of 10 primary Schools: Abington Vale Primary School, Ecton Brook Primary School, Lings Primary School, Headlands Primary School, Simon De Senlis Primary School, Rectory Farm Primary School, East Hunsbury Primary School, Upton Meadows Primary School, Blackthorn Primary School and Thorplands Primary School. The Trust continues its partnership agreement with Weston Favell Church of England Primary School.

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

Standards

- To review the Trust Schools Improvement and Pupil, Development and well-being issues;
- To ensure the Head Teachers perform their responsibilities for the educational performance of the School.

Audit

- To review the risks to internal financial control and ensure processes are in place to reduce those risks;
- To ensure there is a robust and effective process for checking financial systems, controls, transactions and risks in place.

Finance and Resources

- To ensure that effective, formalised systems are established to ensure the Trust's financial health;
- To approve budgets and significant changes to that budget for the financial year and to ensure that approval is minuted;
- To regularly consider and review information provided on financial performance;
- To approve the Trust's audited financial statements before submission to ESFA and that approval is minuted;
- To ensure all key requirements of the Academies Financial Handbook are being met and that all key; scrutiny, decisions and approvals throughout the year are effectively scheduled.

The board of Trustees met nine times during the year as a full board and the Education Standards and Performance committee and Business and Finance committee once per term. The Central Team meets on a weekly basis. The Head Teacher Operational Board meet fortnightly and the School Business Managers meet on a termly basis. Chairs of Governors meet termly.

The Chief Executive Officer is the Accounting Officer as required by the Funding Agreement with the DfE.

Arrangements for setting pay and remuneration of key management personnel

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

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

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

Structure, governance and management (continued)

Trade Union Facilities Time

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

Employees and disabled persons

The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the Trust. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

The Trust is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. This is regardless of race, colour, ethnic or national origin, religious belief, political opinion or affiliation, sex, marital status, sexual orientation, gender reassignment, age or disability.

Employee consultation – The Trust keeps its employees well informed about matters that affect them directly. Apart from direct contact with an individual employee the Trust also communicates regularly with employees via the following communication methods:

- Emails, bulletins and newsletters
- Training as needed
- Consultation when required on developments in policies and procedures that directly affect them
- Trust conferences for teachers, support staff and governors

Related parties and other connected charities and organisations

The Academy Trust has a partnership agreement in place with Weston Favell Church of England Primary School. The Head Teacher of the School is a member of the Head Teacher Operational Group and a Trustee from the School is a Trustee on the NPAT Board of Directors and Chair of the NPAT Business and Finance committee.

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

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

Objectives and activities

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

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

Objectives and activities (continued)

Objects and aims

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

Further aims are as follows:

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

Objectives, strategies and activities

With responsibility for approximately 4,200 children across Northampton, the Trust is driven by our aspirational vision: **to achieve educational excellence, create opportunities and enrich lives.**

To achieve this, our mission is to develop a multi-academy trust of highly effective and sustainable schools. NPAT schools are underpinned by the following **NPAT Values**:

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

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

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

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

Trust development priorities for Northampton Primary Academy Trust 2019-20 are as follows:

- Raise the academic attainment of all children in all schools across the Trust and reduce the inequality for disadvantaged children;
- Secure high-quality leadership at all levels across schools;
- Develop a broad, rich and rigorous curriculum offer in Science, History, Geography, R.E. and Art;
- Improve the quality of Teacher professional development to ensure the most effective classroom practice;
- For the Trust and all schools to have a balanced three year budget plan by the end of the year;
- Develop high quality effective and consistent policies and procedures to ensure statutory compliance;
- Continue to develop robust governance at all levels across the Trust that provides effective support and challenge;
- Develop a sustainable approach to our day to day operations whilst growing the Trust;
- Develop a highly professional Central Team that allows Education Leaders and Teachers to focus on the core business of School Improvement and outcomes for children;
- To continue to grow the Trust as outlined in the Trust's Growth Strategy in a sustainable way so growth does not have a negative impact on our current schools.

Public benefit

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

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

Strategic report

Achievements and performance

There has been much achieved during the reporting year by Northampton Primary Academy Trust. The number of schools has remained at ten following four schools joining us last year, the Central Team capacity has once again increased, and the Trust is now responsible for 4,105 pupils and over 700 staff and volunteers (including our partnership school Weston Favell).

Since welcoming four new schools last year we agreed with our Regional Schools Commissioner that in 2018/19 we would have a period of no growth within the Trust to allow us to concentrate on embedding practices and initiatives with our existing schools. This period of time has allowed us to review our strategies, introduce consistent Business and Finance processes and begin work on developing our own curriculum. Although there has been no actual growth, the board of Trustees spent time considering the next stages of growth and where this may be. They are clear that the Trust needs to grow but in a sustainable and measured way. Towards the end of the year we ran a successful Trust Open Morning. It allowed us the opportunity to showcase our Trust, share our journey so far and discuss how we intend to develop in the years to come. Since the Open Morning we have entered into several conversations with several schools, academies and MATs in our area with a view to them possibly joining the Trust. The Free school project continues to move forward slowly. A site was finally acquired and work progressed on site investigations and feasibilities. It is now anticipated that the school will open in September 2022.

Despite the lack of DfE grants to support Trust growth we continued to grow the Central Team further and make some key appointments. Two Lead Practitioners were appointed to support the delivery of English, one of our Head Teachers took on the lead with assessment and a Maths lead was appointed deliver the Maths strategy from September 2019 onwards. During the year our ICT Development Manager left us to take on a new role. This allowed us the opportunity to review our ICT support and put in place a Senior ICT Technician and an apprentice to support our schools. Mr Tom Rees, our Education Director, left at the end of the year to join Ambition Leadership. We are delighted for him and we will always be grateful for the School Improvement and Curriculum legacy he has left us with. We are delighted that he will remain with us as a Trustee.

The Keystage 2 results in the summer of 2018 showed some improvements in standards with our reading, writing and maths combined in some schools being broadly in line with the National Average. The changes made at Lings Primary School since a change in the leadership and management team at the school along with the governance support of the Academy Improvement Board (AIB) demonstrating that they were having a positive impact on outcomes for their children as they achieved 52% combined, a big improvement on the previous year of 23% combined. Blackthorn Primary School was a focus for the Trust on many fronts throughout the year, joining us as a rebrokered primary school in special measures. Since joining the Trust in June 2018, the school went through a period of stabilisation in the beginning to ensure that the quality of teaching and learning was in a position to improve and have a positive impact on results. Much has changed and improved at Blackthorn during the year and as a result the school is in a much stronger position. There is no doubt that the Blackthorn's results will continue to reflect the positive changes that have been made.

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

Strategic report (continued)

Achievements and performance (continued)

The financial year saw the central contribution remain at 5% of GAG School Budget Share from all of the Trust's schools. Unfortunately no funding was available during the year to support the growth of the Central Team. However, for the first time we received formulaic funding from the School Capital Allocation (SCA). The funding of £265,292 will allow us to plan strategically our capital programme to ensure our buildings stay in the best condition possible. This funding allowed us to address physical Safeguarding works at East Hunsbury Primary and Blackthorn Primary along with Fire Risk Assessment (FRA) works at Headlands Primary and East Hunsbury Primary Schools. Finances in schools continued to be tight amongst the uncertainty of school funding. Unfortunately Upton Meadows Primary School became the first Trust school that had to restructure in order to balance the books and provide a staff structure that met the needs of the school. Following a period of uncertainty the school managed to achieve the changes required with voluntary redundancies. During the year there were many changes in systems and processes to ensure we had greater clarity on how we spend the public funding we receive. HCSS Accounting and Budgeting software continued to be rolled out to our schools along with developments in financial processing around budgeting and financial reporting. Although these changes have meant a challenging year for those involved, the improvements have seen the quality of the reporting improve accuracy in both monitoring and budgeting to ensure we best use the resources at our disposal the best way possible to meet the needs of our schools and their pupils.

Governance continues to improve across the Trust at all levels. The year saw a lot of work go into strengthening the quality of the people who give their time to support govern at school and Trust board level. Many new appointments were made following a successful recruitment campaign which also included members of staff who took the opportunity to govern in other Trust schools to provide them with valuable governance experience as part of their own professional development. Nicholas Wilson, a Business Consultant and Project Manager, and Julie Stapleton, a HR Consultant joined the NPAT Board of Directors along with John Fazackerley as the nominated Weston Favell CE Primary Trustee. He took on the role following the resignation of Rev. David Kirby who we would like to thank for the support he gave the Trust for many years. Due to the size of the Trust, governance training is now delivered in house by the Central Team along with a host of experts from the field of school governance. We now run two training sessions per term along with our own induction training for new Trust governors that saw a cohort of twenty-four. We now have Trust appointed clerks within our schools. Their valued contribution ensures consistency and clarity at all levels of governance at both school and board level. The third NPAT Governors Conference in May focussed on closing the vocabulary gap and curriculum development, MAT governance, workshops and question time with the Trustees. The National Governance Association (NGA) praised the Trust for its model of governance, which is clearly having a positive impact on our schools.

The safety of our children is our highest priority. Safeguarding audits and Governor monitoring ensure that our schools remain compliant and provide the highest standards of care. Our staff continue to deal with sensitive issues on a daily basis in a caring and professional manner.

In March 2019 the Trust held four mini conferences for the support staff across the Trust. This was the first time we had provided the opportunity for our support staff to come together. There was discussion around the Trust vision and values, curriculum, CPD opportunities and other Trust developments. In May 2019 the Trust carried out its third well-being survey amongst its staff. Once again the feedback was very positive but highlighted the topic of staff workload as an area to address. This mirrors the national picture and NPAT are looking at ways in which teacher workload specifically can be reduced around planning, assessment and marking. NPAT has pledged to reduce work load for all of its staff to ensure that all of our employees achieve a healthy work/life balance.

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

Strategic report (continued)

Achievements and performance (continued)

During the year the Trust continued to embed processes around HR, Health and Safety and GDPR. Improvements in the Staff Management of Absence saw a reduction in Staff Absence and an improvement in well-being. Schools continued to make positive steps with Health and Safety improvements and the culture around personal data improved, as GDPR was further implemented. Although we had two reportable data breaches within the year the feedback from the ICO was positive and reflected that the Trust had introduced good practice.

Ofsted visited just one of our schools during the year. Ecton Brook Primary maintained its 'Good' grading in March with a report that acknowledged the great work the school does with its pupils. Mrs Madeline Dunkley resigned at the end of the year as Head Teacher of Thorplands Primary School and Mrs Sam Mawer was appointed as her successor.

School Improvement remains our core business and we are constantly striving to develop the best practices possible to have a positive impact on our children. A bespoke approach to school improvement for targeted priority schools is positively impacting on the quality of provision and beginning to show improved outcomes for children. During the year there has been a focus on vocabulary and a trust-wide strategy was deployed to improve outcomes in this area. Although the Trust did not see an improvement in outcomes in reading this year, the continued improvement work in maths across the Trust resulted in an 5% improvement in outcomes. There was also an overall increase of 1% in the number of children reading age expectation in reading, writing and maths combined. We also saw the start of our exciting curriculum writing project. Staff from across the Trust have been hard at work developing our own curriculum resources in science, history, geography and religious education. The framework developed by this project will help improve standards and help the Trust achieve its staff pledge of reducing workload for teaching staff. Early results are proving very positive and we look forward to seeing how the project develops in the next reporting year. Standardised assessment continued to be used across the Trust with PIRA and PUMA papers being used by all schools to monitor the impact of teaching and learning throughout the year. The three data drops helped senior leaders to predict their targets for the end of year tests. These tests combined with a standardised approach across our schools to pupil progress meetings will ensure that all pupils get the intervention and support required to achieve above national attainment and progress in the future. The process will be reviewed for 2019-20 with a change to the number of data drops and the test papers used.

Our Trust continues to create opportunities that enrich the lives of both pupils and staff in many, many areas. Although the safety, academic performance and progress of our pupils will always be our primary focus, there have once again been many notable achievements outside of the classroom. The Trust is proud to work in partnership with the Royal Shakespeare Company as a Lead Associate Trust. Pupils from all of our schools had the opportunity to perform in our celebration evening of 'Romeo and Juliet' at the Royal Dergate Theatre following our half term project. This provided them with the opportunity to participate in one of Shakespeare's most memorable plays and will be a highlight of their school career. The Trust's passion for this work with the RSC has continued to grow year on year and is making an impact on children's attainment and their wider aspirations. Our Trust values and pedagogy are very much aligned with those of the RSC as we work to develop children, both academically and holistically. On the sports field our pupils continue to receive the highest standard of sports coaching from professionals within the Trust and continue to be involved in sport at the highest level through inter and intra school opportunities and through continued engagement with Northampton's well-known teams and clubs. Lings Primary School won the Northampton Sports School of the Year for the second time, as well as being county champions in a number of sporting events. Lings and Ecton Brook Primaries were also among the first schools in the country to be awarded their platinum School Games sports awards. Music continues to inspire. All pupils still receive the opportunity to learn an instrument during their time at primary school through the NMPAT wider opportunities programme, and many continue to develop their musical skills through peripatetic instrumental lessons.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

The Ecton Brook Primary School Senior Choir won the Northamptonshire Music Festival this year with an outstanding performance of Hallelujah and were also proud to perform for the opening and closing events of the Northampton Eisteddfodd. Finally, the Trust formed another notable partnership this year with the National Portrait Gallery's through their Take One Picture project. NPAT is the first trust to work as a whole trust with the National Gallery. All year four children and staff took part in this exciting project that saw them interpret significant works of art in a variety of art media and creative writing. The final results were outstanding and we are proud that certain pieces of the pupils work will be exhibited in the National Portrait Gallery. Another year of *'achieving extraordinary things'*.

Attainment and Progress July 2019

Overall data outcomes by the end of KS2 for the majority of our schools were below National Average in 2019. Thorplands Primary was at National Average or above in reading, writing and maths combined.

Combines attendance of pupils across the Trust was 96%.

Trust outcomes in 2019 increased by 1% to 58% in the number of children reaching age expectation at the end of KS2. This represents the combined but unvalidated published data from all eleven NPAT schools, including children with profound and/or multiple difficulties from our Specialist Units at Headlands, Simon de Senlis and East Hunsbury, and including the schools in difficulty re-brokered from another trust.

Overall, trust combined but unvalidated published data is as follows:

	Reading	Writing	Maths	R/W/M Combined
NPAT	63%	76%	73%	58%
National	73%	78%	79%	65%

Key performance indicators

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

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

	Total ESFA revenue funding per pupil	Total Staff Costs as a proportion of Total Income (%)	Average Teacher cost	Teaching costs per pupil	Total Staff Costs as Proportion of Total Expense (%)	Pupil Teacher Ratio
Abington Vale	3,958	70%	48,619	1,899	69%	25.60
Blackthorn	5,101	69%	48,129	2,493	73%	19.30
East Hunsbury	3,742	77%	57,386	2,673	70%	21.47
Ecton Brook	4,793	73%	52,989	2,347	66%	22.58
Headlands	4,303	80%	45,666	2,303	76%	19.83
Lings	5,214	69%	58,858	2,605	71%	22.59
Rectory Farm	5,453	76%	45,318	2,423	76%	18.70
Simon de Senlis	3,810	75%	42,516	2,343	74%	18.14
Thorplands	5,520	68%	51,152	2,213	68%	23.11
Upton Meadows	4,460	76%	43,438	2,088	70%	20.81
Trust Average	4,635	73%	49,407	2,339	72%	21.21

Going concern

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

Financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (ESFA), the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also received grants for fixed assets from the ESFA and other funding bodies. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, total expenditure of £21,282,976 (2018 - £17,279,943) (excluding depreciation) was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and before transfers) was £647,043 (2018 - £836,847).

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Financial review (continued)

At 31 August 2019 the net book value of fixed assets was £46,965,397 (2018 - £47,508,865) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

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

The LGPS deficit of the Academy Trust, being the total of all ten primary Schools, was £9,754,000. At 31 August 2019 the pension scheme deficit was £5,865,000.

Reserves policy

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

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

Within the Trust, if the level of free reserves (total funds less the amounts held in Fixed Assets and restricted funds) is less than is needed, the Trust will build up free reserves to the level required, ideally over a five year period. However, the current levels of funding across the Trust does mean that it is more and more challenging year upon year to maintain reserves at an appropriate level.

Purpose for Reserves

The following purposes are considered appropriate for NPAT:

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

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Financial review (continued)

Reporting and monitoring

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

All reserves are the responsibility of Trustees and are reported and reviewed on a central basis at Business and Finance Committee meetings.

At 31 August 2019 the total funds comprised:

	£
Unrestricted	503,828
Restricted: Fixed asset funds	47,205,238
Pension reserve	(9,754,000)
Restricted other	1,251,196
	<u>£39,206,262</u>

Investment policy

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

Purposes

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

Guidelines

Regular cash flow reports are prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Finance Committee. Approval must be signed off and recorded in the committee minutes.

Interest bearing deposit accounts with Lloyds Bank plc.
(Currently receive 0.1% on School Current Account.)

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

Monitoring and Evaluation

The School Business Manager of each School will compare alternative investment opportunities every six months to ensure that the School's funds achieve the best interest rates. The Head Teacher and Business Manager are responsible for ensuring the policy is adhered to.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Financial review (continued)

Reviewing

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

Headteacher Risks and Uncertainties

Through the Academy's risk management procedures, it has considered its Headteacher risks and uncertainties and planned mitigating action wherever possible. The Head Teacher risks and uncertainties identified by the board of Trustees are:

- Change in government funding regime - the academies receive 93.7% of their funding from government agencies;
- Reduction in student numbers either through competition or a damaged reputation;
- Reduction in standards across the academies/poor Ofsted grading;
- Poor leadership;
- Loss of key senior personnel.

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

- Attendance at government funding agency conferences and participation in focus groups to keep up to date with and influence as far as possible Academy funding methodology;
- Regular challenge and support on standards and performance between Schools;
- Use of external consultants to monitor and develop core curriculum areas;
- Succession planning strategies;
- Trust Financial Controller;
- Board of Trustees Business and Finance committee.

Fundraising

Being involved in fundraising is an exciting opportunity for children to learn about people with specific needs and provide support to those who are less fortunate. Across the Trust children work with both National and local charities to raise awareness and funds. The raising of funds for others is always carried out in line with the specific charity's guidelines. The Trust does not use professional fundraisers for raising funds. All fundraising during the year for our schools is normally carried out in conjunction with each school's PTA who are charities in their own right. Funds they raise are monitored by their own Trustees and they consult with schools about methods of fundraising and the use of funds raised.

Plans for future periods

The Trust has identified the following areas of future development:

- Seeking further like-minded Schools or academies to join or partner the Trust;
- The recruitment of additional Central Team roles to support school improvement, governance and business and finance developments;
- Increased pooling of resources and supplier rationalisation to unlock future value;
- Review governance structure to improve strategic development of the Trust and its LGBs;
- Continue to assess centralisation of non-core activities to allow Schools to focus on core educational objectives.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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

Funds held as custodian on behalf of others

In March 2019 the first Educating Northants conference took place to share best practice from the field of education with practitioners from Northampton and beyond. It was agreed that the Trust would hold any funds that were surplus after the event whilst the educating Northants organisers decide how to move forward as an organisation. Educating Northants is not a charity in its own right and therefore no Trustees of our Trust act as a custodian trustee.

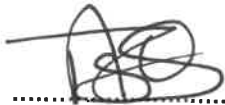
Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- that 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 order of the board of Trustees, as the company directors, on and signed on its behalf by:

12/12/19



.....
Mr A White
Chair of Trustees

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Northampton Primary Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 8 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr A White	7	8
Ms J Kedwards	7	8
Mr G Smith	7	8
Rev D G Kirby (Resigned 27 October 2018)	1	1
Mr T Rees	8	8
Mrs J Clarke (Resigned 24 March 2019)	1	4
Mrs U Dadley (Resigned 20 December 2018)	2	3
Mr S Lock	6	8
Mr N Wilson (Appointed 28 September 2018, Resigned 18 October 2019)	3	8
Mr J Fazackerley (Appointed 12 November 2018)	6	7
Mrs J Stapleton (Appointed 5 May 2019)	4	4

We would like to acknowledge the time Trustees have given during the past year. Julie Clarke, Ulrika Dadley and Rev David Kirby resigned their positions during the year and were replaced by Nicholas Wilson, Julie Stapleton, John Fazackerley and Jeremy Stockdale. The board continue to go from strength to strength and provide executive leaders with effective support and challenge to ensure the Trust is achieving its vision and strategic targets. During the year the Education Standards and Performance committee was formed by Trustees and is responsible for the strategy, planning and monitoring of matters relating to educational standards, teaching and learning across the Trust. Our Trustees are fully engaged both in and out of meetings by making contributions to the strategic direction of the Trust and the monitoring of key activities. During the year the Trustees have focused particularly on strategies for Growth, Educational Standards and Performance and Business and Finance. The board have self-evaluated during the year and considered a review of governance at board level. However, it was recommended by the potential reviewer that this was not necessary at this stage as the board were in a strong position. Developments in the quality of both the pupil and finance data during the past year supported the Trustees in their decision making. Executive Officers worked closely with Trustees to ensure that the data met their expectations and those of the regulatory authorities.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Business and Finance Committee is a sub-committee of the main board of Trustees. Its purpose is to monitor the effectiveness of the Business and Finance functions across the Trust to ensure that all funding received is used to deliver the best outcomes for our children and in line with the expectations of the regulating authorities.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Fazackerley, Chair	3	3
Mrs U Dadley (Resigned 20 December 2018)	1	2
Ms J Kedwards	3	3
Mr N Wilson	2	3
Mrs J Stapleton	2	2

The Education Standards and Performance Committee is a sub-committee of the main board of Trustees. The committee is responsible for the strategy, planning and monitoring of matters relating to educational standards, teaching and learning across the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr H Smith, Chair	2	2
Ms J Kedwards	2	2
Mr T Rees	2	2
Mr S Lock	2	2
Mr A White	2	2
Mr N Wilson	1	2

Review of value for money

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by [add text].

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northampton Primary Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function, for the year to 31 August 2019 this role was completed by the Trust Financial Controller. For the academic year to 31 August 2020 the Trust will appoint an external provider.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included the requirements of the AFH and Trust internal controls and procedures. These checks confirmed that the Trust is in the process of embedding new financial controls, individual school action plans will be agreed to manage this process during the academic year to 31 August 2020.

The Trustees are committed that, on a termly basis, the CFO continues to report to the board of Trustees through the Business and Finance Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Business and Finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Mr A White
Chair of Trustees
Date: 12/12/19



.....
Ms J Kedwards
Accounting Officer

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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


.....
Ms J. Kedwards
Accounting Officer

Date: 12/12/2019.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

Company law requires the Trustees to prepare financial statements for each financial 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:

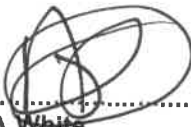
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:


.....
Mr A White
Chair of Trustees
Date: 12/12/19

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Northampton Primary Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Rebecca Hughes BSc(Hons) FCCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 17 December 2019

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 7 July 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northampton Primary Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Northampton Primary Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Northampton Primary Academy Trust's funding agreement with the Secretary of State for Education dated 1 November 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

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

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: *17 December 2019*

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		-	-	-	-	16,833,089
Pension deficit on acquisition of Academy Trust		-	-	-	-	(2,074,000)
Other donations and capital grants		-	-	-	-	6,543,486
Other donations and capital grants		27,426	673,585	590,636	1,291,647	1,170,838
Charitable activities	4	-	19,739,888	-	19,739,888	15,563,692
Other trading activities	5	190,380	-	-	190,380	159,858
Investments	6	1,390	-	-	1,390	2,065
Total income		219,196	20,413,473	590,636	21,223,305	38,199,028
Expenditure on:						
Raising funds		243,337	529,357	-	772,694	732,119
Charitable activities		-	20,507,018	1,242,211	21,749,229	17,766,549
Total expenditure		243,337	21,036,375	1,242,211	22,521,923	18,498,668
Net expenditure		(24,141)	(622,902)	(651,575)	(1,298,618)	19,700,360
Transfers between funds	16	(24,686)	(284,887)	309,573	-	-
Net movement in funds before other recognised gains/(losses)		(48,827)	(907,789)	(342,002)	(1,298,618)	19,700,360
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(2,937,000)	-	(2,937,000)	974,000

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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

Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Net movement in funds	(48,827)	(3,844,789)	(342,002)	(4,235,618)	20,674,360
Reconciliation of funds:					
Total funds brought forward	552,655	(4,658,015)	47,547,240	43,441,880	22,767,520
Net movement in funds	(48,827)	(3,844,789)	(342,002)	(4,235,618)	20,674,360
Total funds carried forward	503,828	(8,502,804)	47,205,238	39,206,262	43,441,880

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

The notes on pages 32 to 58 form part of these financial statements.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08172039

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	46,965,397	47,508,865
Current assets			
Debtors	14	894,011	934,299
Cash at bank and in hand		2,347,318	2,219,342
		<u>3,241,329</u>	<u>3,153,641</u>
Creditors: amounts falling due within one year	15	(1,246,464)	(1,355,626)
Net current assets		<u>1,994,865</u>	<u>1,798,015</u>
Total assets less current liabilities		<u>48,960,262</u>	<u>49,306,880</u>
Defined benefit pension scheme liability	16,22	(9,754,000)	(5,865,000)
Total net assets		<u><u>39,206,262</u></u>	<u><u>43,441,880</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	16	47,205,238	47,547,240
Restricted income funds	16	1,251,196	1,206,985
		<u>48,456,434</u>	<u>48,754,225</u>
Restricted funds excluding pension liability	16	48,456,434	48,754,225
Pension reserve	16	(9,754,000)	(5,865,000)
Total restricted funds	16	<u>38,702,434</u>	<u>42,889,225</u>
Unrestricted income funds	16	<u>503,828</u>	<u>552,655</u>
Total funds		<u><u>39,206,262</u></u>	<u><u>43,441,880</u></u>

The financial statements on pages 28 to 58 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

.....

Mr A White

Chair of Trustees

Date: 12/12/19

The notes on pages 32 to 58 form part of these financial statements.

NORTHAMPTON PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	18	231,429	327,071
Cash flows from investing activities	19	(103,453)	(132,951)
Change in cash and cash equivalents in the year		127,976	194,120
Cash and cash equivalents at the beginning of the year		2,219,342	2,025,222
Cash and cash equivalents at the end of the year	20	2,347,318	2,219,342

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Northampton Primary Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

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

1. Accounting policies (continued)

1.3 Income (continued)

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.6 Tangible fixed assets

Assets costing £1,000 or more (or £500 for IT equipment) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- 2-3% straight line
Long term leasehold property	- 2-3% straight line
Leasehold land	- 0.8% straight line
Furniture and fixtures	- 33.3% straight line
Plant and equipment	- 20% straight line

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

1.7 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

1.9 Financial instruments

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

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

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

1.10 Leased assets

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

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.11 Pensions (continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.12 Fund accounting

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

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

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

1.13 PFI Contracts

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

PFI contract payments

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

Land and buildings

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

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

Other assets

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

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

1.14 Consolidation

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Transfer from local authority on conversion	-	-	-	-	16,833,089
Other donations and capital grants	-	-	-	-	6,543,486
Pension deficit on aquisition of Academy Trust	-	-	-	-	(2,074,000)
	-	-	-	-	21,302,575
Donations	27,426	673,585	-	701,011	717,481
Capital Grants	-	-	590,636	590,636	453,357
Subtotal	27,426	673,585	590,636	1,291,647	1,170,838
	27,426	673,585	590,636	1,291,647	22,473,413
Total 2018	557,384	(1,496,577)	23,412,606	22,473,413	

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the Academy Trust's Educational Operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	15,469,426	15,469,426	11,403,368
Other DfE/ESFA grants	1,205,425	1,205,425	745,283
Pupil premium	1,317,378	1,317,378	1,080,689
	<u>17,992,229</u>	<u>17,992,229</u>	<u>13,229,340</u>
Other government grants			
Local authority grants	1,323,421	1,323,421	1,173,077
	<u>1,323,421</u>	<u>1,323,421</u>	<u>1,173,077</u>
Other funding			
Other income	424,238	424,238	1,161,275
	<u>424,238</u>	<u>424,238</u>	<u>1,161,275</u>
	<u><u>19,739,888</u></u>	<u><u>19,739,888</u></u>	<u><u>15,563,692</u></u>

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Catering income	15,229	15,229	14,502
Lettings income	175,151	175,151	145,356
	<u>190,380</u>	<u>190,380</u>	<u>159,858</u>

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	1,390	1,390	2,065

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising voluntary income:					
Direct costs	1,056	-	570,010	571,066	552,938
Expenditure on fundraising trading activities:					
Direct costs	102,939	-	98,689	201,628	179,181
Academy's educational operations:					
Direct costs	13,637,690	-	1,071,434	14,709,124	12,521,344
Allocated support costs	2,986,460	1,898,292	2,155,353	7,040,105	5,245,205
	<u>16,728,145</u>	<u>1,898,292</u>	<u>3,895,486</u>	<u>22,521,923</u>	<u>18,498,668</u>
Total 2018	<u>12,933,236</u>	<u>1,703,300</u>	<u>3,862,132</u>	<u>18,498,668</u>	

Net income/(expenditure)for the period includes:

	2019 £	2018 £
Depreciation	1,238,947	1,218,725
Fees payable to the auditor for audit	25,000	23,000
Fees payable to the auditor for non-audit	14,000	10,500
Operating lease rentals	518,099	514,368

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

8. Analysis of expenditure by activities

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	14,709,124	7,040,105	21,749,229	17,766,549
Total 2018	12,521,344	5,245,205	17,766,549	

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension costs	173,000	123,000
Staff costs	2,986,460	1,557,117
Depreciation	1,238,947	1,218,725
Technology costs	178,584	113,475
Premises costs	659,345	464,045
Governance costs	65,125	71,795
Other support costs	1,738,644	1,697,048
	7,040,105	5,245,205

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

9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	12,502,487	9,532,576
Social security costs	994,919	770,107
Pension costs	2,962,049	2,275,467
	<u>16,459,455</u>	<u>12,578,150</u>
Agency staff costs	248,322	296,736
Staff restructuring costs	20,368	58,350
	<u>16,728,145</u>	<u>12,933,236</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £17,814. Individually, the payments were: £4,800 made 22 March 2019, £1,885 made 30 November 2018, £4,500 made 21 March 2019, £587 made 31 August 2018, £402 made 31 August 2019, £1,492 made 31 August 2019 and £4,148 made 23 May 2019. (2018 - £58,350)

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	199	154
Administration and support	436	340
Management	16	14
	<u>651</u>	<u>508</u>

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Staff costs (continued)

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	6	6
In the band £70,001 - £80,000	4	2
In the band £80,001 - £90,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2019, pension contributions for these staff amounted to £130,380 (2018 - £101,645).

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and senior management team as listed on page 1 and local governors. The total amount of employee benefits (including employer pension contributions and employers national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,376,255 (2018 - £1,207,823).

10. Central services

The Academy Trust has provided the following central services to its academies during the year:

- Educational support services
- Legal services
- Other services as arising
- Business governance and finance services

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Central services (continued)

The Academy Trust charges for these services on the following basis: 5% of GAG is recharged;
The actual amounts charged during the year were as follows:

	2019 £	2018 £
Abington Vale Primary School	79,154	79,634
Ecton Brook Primary School	124,212	121,553
Headlands Primary School	78,793	73,303
Lings Primary School	61,476	70,830
Simon de Senlis Primary School	74,146	72,140
Rectory Farm Primary School	45,951	55,301
East Hunsbury Primary School	78,790	62,087
Thorplands Primary School	48,159	12,442
Upton Meadow Primary School	79,351	116,096
Blackthorn Primary School	75,889	29,689
Total	745,921	693,075

11. Trustees' remuneration and expenses

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

		2019 £	2018 £
Ms J Kedwards, CEO	Remuneration	85,000 -	85,000 -
		90,000	90,000
	Pension contributions paid	10,000 -	10,000 -
Mr T Rees, Education Director		15,000	15,000
	Remuneration	50,000 -	70,000 -
		55,000	75,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2019, expenses totalling £161 were reimbursed or paid directly to 1 member (2018 - £NIL) in relation to travel expenses.

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

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2019 was included in the total insurance cost of £65,781 (2018 - £68,838).

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost or valuation					
At 1 September 2018	4,659,241	44,341,291	1,706,679	1,252,359	51,959,570
Additions	34,108	-	567,384	114,814	716,306
Disposals	-	-	(20,827)	-	(20,827)
At 31 August 2019	<u>4,693,349</u>	<u>44,341,291</u>	<u>2,253,236</u>	<u>1,367,173</u>	<u>52,655,049</u>
Depreciation					
At 1 September 2018	570,994	2,251,385	672,879	955,447	4,450,705
Charge for the year	104,231	708,065	252,260	174,391	1,238,947
At 31 August 2019	<u>675,225</u>	<u>2,959,450</u>	<u>925,139</u>	<u>1,129,838</u>	<u>5,689,652</u>
Net book value					
At 31 August 2019	<u>4,018,124</u>	<u>41,381,841</u>	<u>1,328,097</u>	<u>237,335</u>	<u>46,965,397</u>
At 31 August 2018	<u>4,088,247</u>	<u>42,089,906</u>	<u>1,033,800</u>	<u>296,912</u>	<u>47,508,865</u>

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

14. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	47,319	18,282
VAT Repayable	234,362	283,366
Prepayments and accrued income	612,330	632,651
	<u>894,011</u>	<u>934,299</u>

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	438,374	80,301
Other taxation and social security	204,320	230,416
Other creditors	17,209	-
Accruals and deferred income	586,561	1,044,909
	<u>1,246,464</u>	<u>1,355,626</u>

	2019	2018
	£	£
Deferred income at 1 September 2018	456,173	298,221
Resources deferred during the year	335,254	456,173
Amounts released from previous periods	(456,173)	(298,221)
	<u>335,254</u>	<u>456,173</u>

At the balance sheet date the Academy Trust was holding funds received in advance relating to capital grants, free school meal grants, parental contributions, trip income and rates relief, which relate to the 2019/20 academic year.

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	552,655	219,196	(243,337)	(24,686)	-	503,828
Restricted general funds						
General Annual Grant (GAG)	62,966	15,469,426	(15,456,273)	2,527	-	78,646
Pupil premium	93,824	1,317,378	(1,313,839)	-	-	97,363
Other DfE/ESFA income	288,632	1,205,425	(994,240)	(13,677)	-	486,140
Local Authority Recharges	3,489	1,323,421	(1,107,285)	(13,656)	-	205,969
Parental contributions	374,261	-	(371,482)	(2,779)	-	-
Miscellaneous	2,570	484,060	(417,879)	-	-	68,751
Transfer from Local Authority	107,336	613,763	(401,849)	(4,923)	-	314,327
Pension reserve	273,907	-	(21,528)	(252,379)	-	-
	(5,865,000)	-	(952,000)	-	(2,937,000)	(9,754,000)
	<u>(4,658,015)</u>	<u>20,413,473</u>	<u>(21,036,375)</u>	<u>(284,887)</u>	<u>(2,937,000)</u>	<u>(8,502,804)</u>
Restricted fixed asset funds						
Inherited fixed asset fund	45,892,561	-	(1,239,086)	716,307	-	45,369,782
Capital expenditure from other funds	1,595,614	-	-	-	-	1,595,614
Unspent capital grants	59,065	590,636	(3,125)	(406,734)	-	239,842
	<u>47,547,240</u>	<u>590,636</u>	<u>(1,242,211)</u>	<u>309,573</u>	<u>-</u>	<u>47,205,238</u>
Total Restricted funds	42,889,225	21,004,109	(22,278,586)	24,686	(2,937,000)	38,702,434

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	43,441,880	21,223,305	(22,521,923)	-	(2,937,000)	39,206,262

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

Restricted general funds will be used for educational purposes in line with the Academy Trust's objects and its funding agreement with the ESFA.

Restricted fixed assets funds amounting to £46,965,397 (2018 - £46,991,000) will be reserved against future depreciation charges. The balance of £239,842 (2018 - £59,065) relates to unspent capital grants.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Abington Vale Primary School	564,820	499,078
Ecton Brook Primary School	203,329	590,203
Headlands Primary School	148,950	151,596
Lings Primary School	156,677	104,453
Simon de Senlis Primary School	47,699	37,817
Rectory Farm Primary School	57,507	59,464
East Hunsbury Primary School	16,092	40,342
Thorplands Primary School	11,376	(13,917)
Upton Meadow Primary School	89,505	105,987
Blackthorn Primary School	109,349	40,368
Central Services	349,720	144,249
Total before fixed asset funds and pension reserve	1,755,024	1,759,640
Restricted fixed asset fund	47,205,238	47,547,240
Pension reserve	(9,754,000)	(5,865,000)
Total	39,206,262	43,441,880

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

16. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Abington Vale Primary School	1,409,303	124,348	76,291	415,232	2,025,174	1,889,400
Ecton Brook Primary School	2,325,213	191,760	174,508	641,499	3,332,980	3,407,643
Headlands Primary School	1,762,853	216,994	90,828	389,875	2,460,550	2,398,764
Lings Primary School	1,061,938	108,230	62,110	443,457	1,675,735	1,693,577
Simon de Senlis Primary School	1,507,294	178,521	79,056	353,515	2,118,386	2,261,896
Rectory Farm Primary School	818,847	74,397	43,810	172,072	1,109,126	1,124,179
East Hunsbury Primary School	1,793,587	161,763	186,209	304,262	2,445,821	2,078,743
Thorplands Primary School	937,175	184,060	34,875	284,164	1,440,274	372,997
Upton Meadow Primary School	1,303,251	208,384	66,087	454,495	2,032,217	731,169
Blackthorn Primary School	1,222,501	135,907	46,185	296,383	1,700,976	423,708
Central Services	-	607,258	83,742	250,737	941,737	897,867
Academy Trust	14,141,962	2,191,622	943,701	4,005,691	21,282,976	17,279,943

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	480,364	719,307	(601,568)	(45,448)	-	552,655
Restricted general funds						
General Annual Grant (GAG)	332,558	11,403,368	(11,611,315)	(61,645)	-	62,966
Pupil premium	4,190	1,080,689	(991,055)	-	-	93,824
Other DfE/ESFA income	311,871	745,283	(723,916)	(44,606)	-	288,632
Local Authority	38,926	1,111,270	(1,146,707)	-	-	3,489
Recharges	(219,505)	688,331	(94,565)	-	-	374,261
Parental contributions	5,448	160,097	(162,975)	-	-	2,570
Miscellaneous	137,517	890,270	(901,486)	(18,965)	-	107,336
Transfer from Local Authority	511,456	61,807	(299,356)	-	-	273,907
Pension reserve	(4,018,000)	(2,074,000)	(747,000)	-	974,000	(5,865,000)
	<u>(2,895,539)</u>	<u>14,067,115</u>	<u>(16,678,375)</u>	<u>(125,216)</u>	<u>974,000</u>	<u>(4,658,015)</u>

NORTHAMPTON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

	£	£	£	£	£	Balance at 31 August 2018 £
Restricted fixed asset funds						
Inherited fixed asset fund	23,741,997	22,959,249	(1,218,725)	410,040	-	45,892,561
Capital expenditure from other funds	1,440,040	-	-	155,574	-	1,595,614
Unspent capital grants	658	453,357	-	(394,950)	-	59,065
	<u>25,182,695</u>	<u>23,412,606</u>	<u>(1,218,725)</u>	<u>170,664</u>	<u>-</u>	<u>47,547,240</u>
Total Restricted funds	<u>22,287,156</u>	<u>37,479,721</u>	<u>(17,897,100)</u>	<u>45,448</u>	<u>974,000</u>	<u>42,889,225</u>
Total funds	<u>22,767,520</u>	<u>38,199,028</u>	<u>(18,498,668)</u>	<u>-</u>	<u>974,000</u>	<u>43,441,880</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	46,965,397	46,965,397
Current assets	496,744	2,504,744	239,841	3,241,329
Creditors due within one year	7,084	(1,253,548)	-	(1,246,464)
Provisions for liabilities and charges	-	(9,754,000)	-	(9,754,000)
Total	<u>503,828</u>	<u>(8,502,804)</u>	<u>47,205,238</u>	<u>39,206,262</u>

NORTHAMPTON PRIMARY ACADEMY TRUST
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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	47,508,865	47,508,865
Current assets	552,655	2,541,921	59,065	3,153,641
Creditors due within one year	-	(1,355,626)	-	(1,355,626)
Provisions for liabilities and charges	-	(5,865,000)	-	(5,865,000)
Total	552,655	(4,678,705)	47,567,930	43,441,880

18. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,298,618)	19,700,360
Adjustments for:		
Depreciation	1,238,947	1,218,725
Capital grants from DfE and other capital income	(590,636)	(453,357)
Interest receivable	(1,390)	-
Defined benefit pension scheme cost less contributions payable	779,000	624,000
Defined benefit pension scheme finance cost	173,000	123,000
Decrease/(increase) in debtors	33,204	(236,346)
(Decrease)/increase in creditors	(102,078)	235,938
Net gain on assets and liabilities from local authority on conversion	-	2,074,000
Fixed assets inherited	-	(16,415,763)
Additions on transfer in to the trust	-	(6,543,486)
Net cash provided by operating activities	231,429	327,071

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19. Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	1,390	-
Purchase of tangible assets	(716,306)	(586,308)
Proceeds from the sale of tangible fixed assets	20,827	-
Capital grants from DfE Group	590,636	453,357
Net cash used in investing activities	(103,453)	(132,951)

20. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	2,347,318	2,219,342
Total cash and cash equivalents	2,347,318	2,219,342

21. Capital commitments

	2019	2018
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	113,143	-

22. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northamptonshire County Council. Both are multi-employer defined benefit schemes.

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

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

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

22. Pension commitments (continued)

Teachers' Pension Scheme

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

Scheme Changes

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

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

The employer's pension costs paid to TPS in the year amounted to £1,116,591 (2018 - £907,244).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,296,000 (2018 - £945,000), of which employer's contributions totalled £1,031,000 (2018 - £756,000) and employees' contributions totalled £ 265,000 (2018 - £189,000). The agreed contribution rates for future years are 5.5 per cent for employers and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Discount rate for scheme liabilities	1.90	2.80
Expected return on scheme assets at 31 August	1.90	2.80
Rate of increase in salaries	2.60	2.60
Rate of increase for pensions in payment/inflation	2.30	2.30

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.2	22.1
Females	23.2	24.2
<i>Retiring in 20 years</i>		
Males	22.3	23.9
Females	24.7	26.1

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22. Pension commitments (continued)

Sensitivity analysis

	2019	2018
	£	£
0.5% decrease in the Real Discount Rate	2,655,000	1,828,000
0.5% increase in the Salary Increase Rate	289,000	243,000
0.5% increase in the Pension Increase Rate	2,320,000	1,565,000

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

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

	At 31	At 31 August
	August 2019	2018
	£	£
Equities	6,430,000	5,424,000
Corporate bonds	1,518,000	1,099,000
Property	804,000	586,000
Cash and other liquid assets	179,000	220,000
Total market value of assets	8,931,000	7,329,000

The actual return on scheme assets was £390,000 (2018 - £265,000).

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

	2019	2018
	£	£
Current service cost	(1,744,000)	(1,380,000)
Past service cost	(66,000)	-
Interest income	222,000	120,000
Interest cost	(395,000)	(243,000)
Total amount recognised in the Statement of Financial Activities	(1,983,000)	(1,503,000)

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	13,194,000	7,894,000
Upon conversion	-	4,376,000
Interest cost	395,000	243,000
Employee contributions	265,000	189,000
Actuarial losses/(gains)	3,105,000	(829,000)
Benefits paid	(84,000)	(59,000)
Past service costs	66,000	-
Current service costs	1,744,000	1,380,000
At 31 August	18,685,000	13,194,000

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

	2019 £	2018 £
At 1 September	7,329,000	3,876,000
Upon conversion	-	2,302,000
Interest income	222,000	120,000
Actuarial gains	168,000	145,000
Employer contributions	1,031,000	756,000
Employee contributions	265,000	189,000
Benefits paid	(84,000)	(59,000)
At 31 August	8,931,000	7,329,000

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

23. Operating lease commitments

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

	2019 £	2018 £
Within 1 year	436,663	518,099
Between 1 and 5 years	1,645,783	2,046,878
After more than 5 years	5,845,861	7,843,922
	<u>7,928,307</u>	<u>10,408,899</u>

24. Members' liability

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

25. Related party transactions

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

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

The Academy Trust has entered into a partnership agreement with Weston Favell Church of England Primary School. During the period the Academy Trust invoiced Weston Favell Church of England Primary School £81,021 (2018 - £85,545) and was invoiced £141,396 (2018 - £119,491) by Weston Favell Church of England Primary School. At 31 August 2019 the Academy Trust owed Weston Favell Church of England Primary School £7,610 (2018 - £nil).