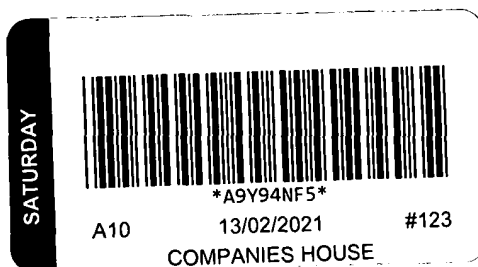


# REGISTRAR COPY

Company Registration Number: 07734360 (England & Wales)

**NORTHGATE SCHOOL ARTS COLLEGE**  
(A Company Limited by Guarantee)  
**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 12
Governance Statement	13 - 16
Statement on Regularity, Propriety and Compliance	17
Statement of Governors' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 - 21
Independent Reporting Accountant's Report on Regularity	22 - 23
Statement of Financial Activities Incorporating Income and Expenditure Account	24 - 25
Balance Sheet	26 - 27
Statement of Cash Flows	28
Notes to the Financial Statements	29 - 57

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mr M Kendall Mrs J Cartwright Miss S Webb
<b>Governors</b>	Mr M Kendall, Chair Miss S Webb, Executive Headteacher and Accounting Officer Mrs J Cartwright Mrs D Chandley Mrs D Gutteridge (resigned 3 November 2020) Ms Z Moore (appointed 16 March 2020) Mr K O'Brien (appointed 16 March 2020) Mr R Osborne Mrs M Richards Mr A Sharp Mrs S Thomas Mrs J Woods
<b>Company registered number</b>	07734360
<b>Company name</b>	Northgate School Arts College
<b>Principal and registered office</b>	Queens Park Parade Kingsthorpe Northampton Northamptonshire NN2 6LR
<b>Company secretary</b>	Mrs C Cope
<b>Senior management team</b>	Miss S Webb, Executive Headteacher Mrs F Shears, Head of School Mrs F Nembhard, Deputy Headteacher Mrs L Michaelides, Deputy Headteacher Mrs J Fitzpatrick, Assistant Headteacher Ms S Hutt, Head of Centre (The Bee Hive)
<b>Independent auditor</b>	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB
<b>Bankers</b>	Lloyds Bank Plc 2 George Row Northampton NN1 1DJ

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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Solicitors**

Anthony Collins  
134 Edmund Street  
Birmingham  
B3 2ES

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## **NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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### **GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The Academy Trust operates an Academy for pupils aged 11 to 18 serving a catchment area in Northamptonshire. It has a pupil capacity of 220 and had a roll of 237 in the school census on dated 16 January 2020.

The Academy operates across 2 sites with Northgate School catering for pupils 11 to 16 years, The Bee Hive which is the Post 16 provision and Sweet Bee which is a work-based learning environment for pupils and young adults to embed skills learnt on the other sites.

#### **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 governors of Northgate School Arts College are also the directors of the charitable company for the purposes of company law. The charitable company operates as Northgate School Arts College.

Details of the Governors 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.

##### **Governors' indemnities**

Governors benefit from indemnity insurance to cover the liability of the Governors 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 the insurance in the year was £437.

##### **Method of recruitment and appointment or election of Governors**

The Governors of the Academy Trust comprise of the Chair of the Governing Body, the Executive Headteacher of the Academy Trust (also the Accounting Officer), one parent member and other elected (community) members of the Governing Body. The Governors have successfully recruited two new parent governors this academic year.

Parent Governors are elected following letters to current parents requesting interested parties to apply. Elections would be held should there be more applicants than places. Interested parties are interviewed prior to joining the FGB. Other Governors have been sought using local advertising, The Local Authority Governance Service and the National Association of Governors information.

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## **NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **Structure, governance and management (continued)**

##### **Policies adopted for the induction and training of Governors**

The Academy Trust has a Governor Induction Pack including; Policy and Checklist. As part of the application process, prospective new governors are required to complete a skills audit. All Governors have completed the necessary 'new to the role' governor training, subsequent training and induction provided will depend on their existing experience. Induction provides training on clarity and education, legal and financial matters.

All new Governors are given a tour of the Academy Trust including the Bee Hive and the opportunity to meet the staff and pupils.

##### **Organisational structure**

The Academy Trust staff structure consists of three levels; The Governors, The Senior Managers and the staff team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels whilst securing clear accountability.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The Senior Managers are the Executive Head, Head of School, Head of Centre (the Bee Hive), two Deputy Head's, an Assistant Head and School Business Manager, Facilities Manager and Catering Manager. These managers control the Academy at an executive level implementing policy laid down by the governors and reporting back to them. As a group the Senior Managers are responsible for authorisation of spending with agreed budgets and appointment of staff, however a governor will always be on the recruitment panel when appointing a member of Senior Management. Some spending control, (curriculum areas) is devolved to budget holders of the staff team, with limits above which a Senior Manager must authorise and countersign.

The Teaching Staff Team includes the Academy Leadership Team plus teaching staff, total FTE 34.4. The teaching team is supported by a range of Learning Support Assistants (LSA's) working at Level 2 and above to cover roles such as Family Support Worker (x2), Cover Supervisors, Outreach and Medical and Welfare staff and an Employability Manager (Bee Hive).

At the Bee Hive and Sweet Bee, the staff team includes Job Coaches, Centre Management staff, Retail Assistants and a Driver.

The Leadership teams are responsible for the day to day operation of the Academy, in particular organising the teaching staff, support staff, facilities, resources and pupils.

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

The review of pay for key management personnel (senior management personnel to whom the Governors have delegated significant authority or responsibility in the day-to-day running of the academy trust) takes account of the performance of the organisation, and individuals results, and is measured using the Whole School Pay and Appraisal policies.

ALL staff contribute towards the performance of the Academy Trust, with that in mind ALL staff are appraised annually by a senior member of the management team.

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## **NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **Structure, governance and management (continued)**

The Executive Headteacher's salary together with the Head of School's salaries are reviewed by the Chair and Vice Chair of Governors on an annual basis supported by an external Education Advisor.

#### **Related parties and other connected charities and organisations**

During the year ending 31 August 2020 there were purchases from KCOM Group plc for £5,347 (2019 - £7,637) relating to broadband services. The broadband service contracts were let by emPSN on their behalf.

Mr M Kendall, Chair of Governors for the Academy Trust, is a director of emPSN. EmPSN is a Techkal Compliant public sector company, of which NSAC is a member.

Mr R Osborne, Governor, is the Academy Enterprise Advisor and works on behalf of SEMLEP. Mr Osborne regularly works with senior managers and students based at the Bee Hive. Mr Osborne receives no remuneration for his time and does not claim expenses. Further details can be found in note 27 of the accounts.

#### **Trade union facility time**

The Academy Trust did not have a relevant union official during the relevant period. No time was spent on facility time during the year.

#### **Objectives and activities**

##### **Objects and aims**

The principal object and activity of the charitable company is the operation of Northgate School Arts College (Academy Trust) and The Bee Hive, to provide education for pupils with a range of SEND (Special Educational Needs and Disabilities) between the ages of 11 and 18 with the emphasis on Arts.

##### **Objectives, strategies and activities**

The main objectives of the Academy Trust during the year ended 31 August 2020 are summarised below:

- To ensure that every pupil enjoys the same high quality, outstanding education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy Trust by keeping the curriculum and organisation structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To continue to maintain close links with the local community and the Northamptonshire Special Schools: and
- To conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

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## **NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

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**(continued)**

The Academy Trust's main strategy is encompassed in its ethos and aims, "All pupils must experience the opportunity to develop a deep sense of personal worth and confidence". To this end the activities provided included:

- Teaching and learning opportunities for all pupils to achieve their full potential;
- Teaching and learning opportunities for all pupils to attain academic qualifications;
- Training opportunities for all staff;
- A programme of arts, sports and after-school leisure activities for all pupils;
- A programme of careers education, advice and guidance, to enable pupils to transition to the most appropriate post-school provider; and
- A focus on 'preparation for adulthood', to ensure pupils are equipped for a post-school world.

#### **Public benefit**

The Academy Trust promotes education for the benefit of the local community of Northampton and Northampton South and offer 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 pupils which further enhances the public benefit.

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

#### **Strategic report**

##### **Achievements and performance**

This is the Academy's ninth year of operation and pupil numbers consistently remain at capacity. Total pupils in year ended 31 August 2020 was 236, the pupil roll in the new academic year 1 September 2020 is 247.

The impact of Covid-19 has presented the school with a number of challenges over the months since the lockdown began in March 2020, not least interpreting the DfE guidance and applying it in the SEND school arena. The focus since September has been on returning staff and pupils to school in a safe and stable environment and facilitating pupils to reconnect with the curriculum and their learning. The school environment continues to be disrupted on a daily basis by the requirements of keeping safe and these visible changes can impact on individual pupils creating barriers to engagement.

The longer term effects of Covid-19 on the mental, physical and economic aspects of family life will continue to influence pupil's engagement with school and the focus has to be on providing support for individuals to enable them to overcome these challenges and to re-engage with their learning.

The school responded quickly to the requirement to provide remote learning for pupils during the Covid-19 lockdown and used a variety of teaching strategies including paper based activities, research and practical scenarios, online learning opportunities and direct teaching via Teams. We have clear plans in place to enable a swift response should we return to a lockdown situation.

One of the challenges of lockdown has been the administration of the systems put in place by the DfE to replace all levels of externally accredited qualifications. The Centre Assessed Grades (CAG), whilst fraught at the time of implementation, show our pupils have continued to make excellent progress.



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## **NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **Strategic report (continued)**

##### **Achievements and performance (continued)**

Students in the 6th Form access work experience opportunities through The Bee Hive vocational areas including catering, retail, administration, café service, horticulture, enterprise and facilities management. Whilst these facilities were closed over the lockdown period, they are now reopening to the public and the students are learning to work within the confines of Covid-19 restrictions. The Sweet Bee sweet shop, is currently based at The Bee Hive and this enables students to access packing and marketing skills and entrepreneurial learning whilst embedding literacy, numeracy and communication skills in the work place. External work placements are also available for students at a wide range of small businesses, local companies and community projects enabling them to put into practice skills acquired at The Bee Hive.

This has been an unusual year with regard exam entries and achievements as a direct result of the Covid-19 pandemic.

All examinations were cancelled and the teaching staff followed stringent guidelines to award each pupil a Centre Assessed Grade (CAG) for each examination they had been entered for. This year has been an exceptional year with record number of entries at GCSE level across English Literature, English Language, Maths, Science, Art and History. There has been an increase in higher grades achieved in all areas of the curriculum.

100% of the cohort entered at least 1 Entry Level qualification although we have a reduced number of curriculum areas offered in this qualification.

The Year 11 total exam entries in GCSE, Entry Level, Level 1 and Functional Skills for the 30 pupils was 274, of which 266 were passes. A pass rate of 97%.

The breakdown of results is 72 GCSE entries with 100% pass rate, 176 Entry Level entries with 100% pass rate, 26 Functional Skills entries with 69% pass rate.

##### **Key performance indicators**

The Academy Trust uses a number of financial key performance indicators to monitor financial success of the Trust and progress/improve against the targets set.

Staffing costs are monitored as a percentage of total income. For the year ending 31 August 2020 staffing costs amounted to 93% (2019 – 85%) of total income.

The Academy Trust also monitors its operating surplus and deficit as a percentage of total income. For the year ending 31 August 2020 the operating deficit equated to 9%, (2019 – 3% deficit) of the total income (excluding restricted fixed asset funds).

##### **Going concern**

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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#### Strategic report (continued)

##### Financial Review

The Academy Trust's income is obtained from the DfE and Local Authority in the form of recurrent grants disbursed via the ESFA (Education and Skills Funding Agency) and Northampton County Council, the use of which is restricted to particular purposes. The grants received from the DfE and LA during the year ended 31 August 2020 and associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other funding bodies. In accordance with the Charities Statement of Recommended Practice (SORP), 'Accounting and Reporting of Charities' (SORP 2019) such grants are shown in the Statement of Financial Activities as restricted income in the fixed income asset fund. The restricted fixed assets fund balance is reduced by annual depreciation charges over the expected useful life of the asset concerned.

During the year ended 31 August 2020, total restricted general funds expenditure of £5,020,501 (2019 - £4,277,142) was covered by recurrent grant funding from the DfE together with other income resources. The excess of expenditure over income for the year before transfers was a deficit of £660,707 (2019 - deficit of £308,647).

At 31 August 2020, the net book value of fixed assets was £4,725,431 (2019 - £4,816,434) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets are used exclusively for providing education and the associated support services to the pupils of the Academy.

Details of the FRS 102 defined benefit pension scheme statement can be found in note 24 to the accounts.

In the year capital funding of £28,617 (2019 - £57,308) was received from the ESFA, as detailed in note 3.

In the year £48,005 (2019 - £75,453) was received in the form of direct donations from individuals and Charitable trusts. These monies were given for specific tasks and spent accordingly.

The Bee Hive business had a trading income of £149,557. (2019- £212,063). This income is off-set against the staff and running costs of the provision.

The Sweet Bee had a trading income of £41,332 (2019 - £56,560).

The impact of Covid-19 had a significant affect on the trading income of both the Bee Hive and Sweet Bee. Neither businesses were able to operate beyond the March 2020 lockdown. As a result 11 members of business staff were furloughed and we were able to take advantage of the Government salary scheme.

As a result of the pandemic staff continued to be furloughed past the financial year end of 31 August 2020. The salary reimbursements whilst not able to cover the considerable loss of revenue that would have been received between April and August 2020, dramatically reduced our losses incurred during this time.

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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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#### Strategic report (continued)

#### Financial Review (continued)

##### Reserves policy

The Governors review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £62,471 (2019 – £17,577) which is less than is needed. The Academy Trust intends to build up free reserves to the level needed, details of which can be found in the Academy Trust's Reserves Policy.

The LGPS deficit of £3,032,000 (2019 – £2,476,000) is viewed as a long term balance.

At 31 August 2020 the total funds comprised:

Unrestricted		£
		62,471
Restricted:	Fixed asset funds	4,725,431
	Pension reserve	(3,032,000)
	Other	795,852
		<u>2,551,754</u>

##### Investment policy

The Governing Body has approved a treasury management statement as part of the Financial Procedures Management (Financial Management Policy), which documents the Academy Trust's Investment Policy.

##### Principal risks and uncertainties

Through the Academy's risk management procedures, it has considered its principal risks and uncertainties and planned mitigating action wherever possible.

The principal risks facing the Academy are:

- Reputational risk – mitigated by the focus on maintaining outstanding status, seeking positive publicity and having a strong profile in the community;
- Performance risk – mitigated by the continuous review and development of the Academy Trust, its aims and objectives and its ability to meet the needs of its client group;
- Financial risk – the principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by the financial control measures in place supported by professional advice and appropriate staff training; and
- Risks associated with personnel - mitigated by the continuous review and development of all staff including training, clear lines of management and the adoption of the appropriate HR policies and practice.

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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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#### Strategic report (continued)

#### Financial Review (continued)

The Academy Trust practices through the governing body and the constituted sub-committees, risk management principles. Any major risk highlighted at any sub-committee are brought to the main governing body with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the governing body collectively, whilst more minor risks are dealt with by senior executive officers.

#### Fundraising

##### Approach to Fundraising

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees. At present fundraising for school activities, projects and resources is un-coordinated and is undertaken by individual staff or members of the academy community for specific area projects. The Academy Trust aspires to develop its own fundraising strategy to fund additional provision and opportunities; to identify specific need and urgency within areas of the school and plan to resource appropriately.

The Academy's fundraising policy and strategy aims to create an enriched school experience for all our pupils and the wider community. The Academy's vision for fundraising is:

- To enable community access for all pupils and increase community cohesion;
- To increase provision of SEN specific inclusion and extra-curricular activities;
- To support therapeutic work;
- To increase pupils' independence;
- To increase pupils' communication and interaction skills; and
- To further develop specific training (CPD) to develop specialist skills.

##### Ethics

The Academy Trust will ensure that funding is not bid for from organisations or companies that may be in conflict with our aims, values and ethos. School will not seek funding from alcohol or tobacco companies, from pay day loan companies or from companies who do not promote healthy eating or living. Money for financial assistance will not be sought from groups or individuals deemed to be vulnerable or of need. We will not cause unnecessary anxiety or worry to anyone as a result of our desire to fundraise.

##### Monitoring and Evaluation

It is our intention to establish a working group, led by a member of the Academy Leadership Team. The group will call on staff members, governors, parents/carers and the wider community to work on specific projects as appropriate. The working group will;

- Act in the best interests of the charity;
- managing the charity's resources responsibly, which includes protecting and safeguarding its reputation;
- Act with reasonable care and skill at all times;

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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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#### Fundraising (continued)

- Work with all members of the school community ie School Council, Parent Association with regard identifying projects and activities;
- Take into consideration parent/carer and staff consultations when identifying need;
- Investigate how to build and develop relationships with funders;
- Monitor the success of projects by ensuring aims and objectives are met and reporting on this to SLT and governing body;
- Maintain relationships with funders by reporting to them on the use of grant funds and the success of the projects;
- Report on success of projects/activities to stakeholders through newsletters, social media and the Academy website;
- Consult beneficiaries;
- Back up project with evidence of need; and
- Find relevant links to local, regional or national initiatives;

#### Fundraising, Complaints

*In the event of complaint as a result of consequence or actions taken through a fundraising event, all complaints will be directed via the Executive Headteacher following the protocol laid out in the Fundraising Policy.*

#### Plans for future periods

1. The Academy continues to look at the options available to our young people once they leave the Academy and have held talks with the LA about what could be developed. This has been delayed as a result of the impact of Covid-19.
  - o Investigate the development of a CIC and/or development of an Independent Specialist provision.
  - o Continued development and expansion of the Supported Internship programme, working with Mencap.
2. The Academy is looking to expand its provision for students 16-25 years, alongside the requirement to extend The Bee Hive provision as numbers continue to grow.
  - o Development of another site to support the Preparation for Adulthood and employability skills programmes already in place at The Bee Hive.
  - o Development of another site to support Sweet Bee as it continues to grow.

Other projects that the Academy had been developing have been put on hold as a direct result of the impact of Covid-19. The Academy's focus must be on the challenges of the education system in these unprecedented times.

#### Funds held as custodian on behalf of others

The Academy Trust acts as an agent in distributing 16-19 burserary funds from ESFA. The details of movements on these funds in the relevant period can be seen in note 28.

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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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**GOVERNORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**


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**Disclosure of information to auditor**

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governors 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 Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on behalf by: and signed on its

  
.....  
Mr M Kendall  
Chair of Governors

10/12/20

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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### GOVERNANCE STATEMENT

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#### Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Northgate School Arts College 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.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Governors has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Northgate School Arts College and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of Governors has formally met 6 times during the year. As a result of the COVID-19 pandemic, whilst not able to meet in person, the governing body continued to meet remotely until the end of the academic year.

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

Governor	Meetings attended	Out of a possible
Mr M Kendall, Chair	6	6
Miss S Webb, Executive Headteacher & Accounting Officer	6	6
Mrs J Cartwright	4	6
Mrs D Chandley	6	6
Mrs D Gutteridge (resigned 13 November 2020)	4	5
Ms Z Moore (appointed 16 March 2020)	5	5
Mr K O'Brien (appointed 16 March 2020)	4	5
Mr R Osborne	6	6
Mrs M Richards	5	6
Mr A Sharp	6	6
Mrs S Thomas	3	6
Mrs J Woods	6	6

During the year the Governing Body remained stable. Towards the end of financial year 31 August 2020, the FGB have recruited two new Governors. The staff governor representative post remains outstanding.

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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### GOVERNANCE STATEMENT (CONTINUED)

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#### Governance (continued)

The Business Committee is a sub-committee of the main governing body. Its purpose is to:

- Advise the Governing Body on a regular basis the effectiveness of the Academy's internal control system including its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money) and to produce an annual report for approval; and
- Advise the Governing Body on all aspects of Finance, Pay and Performance in determining the Academy's values, vision and objectives.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mr M Kendall, Chair	2	2
Miss S Webb, Executive Headteacher & Accounting Officer	2	2
Mrs D Chandley	2	2
Mrs S Thomas, Vice Chair	2	2
Mr R Osborne	2	2

#### Review of value for money

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

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

- Reviewing the Terms of reference for all committees to include increased use of benchmarking to achieve value for money;
- Review staff structure to ensure staff population meets current identified levels of need and budget;
- Educational outcomes for pupils have improved with the same resources through targeted use of Pupil Premium funds; and
- Implementation of targeted fund raising to support the development of curriculum areas, ie Horticulture.

#### 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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northgate School Arts College for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.



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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### GOVERNANCE STATEMENT (CONTINUED)

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#### Capacity to handle risk

The board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

#### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors;
- 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; and
- identification and management of risks.

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks.

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

- testing of payroll systems;
- testing of purchase systems;
- testing of control account/ bank reconciliation's.

On an annual basis, the external auditor reports to the board of Governors through the Business Committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

The schedule of work has been delivered as planned. There were no material control issues arising as a result of the work.

The FRC Ethical Standard for auditors states that a firm providing external audit to an entity, shall not also provide internal audit services to it. However due to the particularly difficult circumstances associated with the Covid lockdown, post March 2020 and the subsequent limitations surrounding 'social distancing', the Academy decided that it would be prudent to continue with the necessary 'Internal Audit' checks and therefore employed the services of MHA MacIntyre Hudson to perform the audit remotely.

The Governing Body will meet in the new financial year and discuss further the revised FRC Ethical Standard for auditors. A firm schedule of 'internal scrutiny' audits will be undertaken by an independent professional who has extensive experience of Academy finance. The Academy's internal scrutiny arrangements will not be affected by the requirements of the newly revised FRC Ethical Standard for auditors.

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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

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

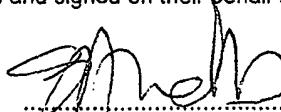
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors and signed on their behalf by:



Mr M Kendall  
Chair of Governors



Miss S Webb  
Accounting Officer

Date: 10/12/20

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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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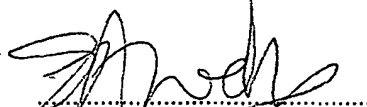
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Northgate School Arts College I have considered my responsibility to notify the Academy Trust board of Governors 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 2019.

I confirm that I and the Academy Trust board of Governors 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 2019.

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 Governors and ESFA.



Miss S Webb  
Accounting Officer

Date: 10/12/20

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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 Governors 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 Governors 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 Governors 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 Governors and signed on its behalf by:



.....  
**Mr M Kendall**  
Chair of Governors

Date: 10/12/20

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## **NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTHGATE SCHOOL ARTS COLLEGE**

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#### **Opinion**

We have audited the financial statements of Northgate School Arts College (the 'academy trust') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**NORTHGATE SCHOOL ARTS COLLEGE**

(A Company Limited by Guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
NORTHGATE SCHOOL ARTS COLLEGE (CONTINUED)**

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**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the 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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
NORTHGATE SCHOOL ARTS COLLEGE (CONTINUED)**

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**Responsibilities of Governors**

As explained more fully in the Governors' Responsibilities Statement, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

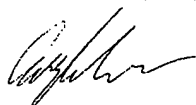
**Auditor's responsibilities for the audit of the financial statements**

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

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

**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.



**Guy Hodgkinson BA ACA (Senior Statutory Auditor)**

for and on behalf of  
**MHA MacIntyre Hudson**  
Chartered Accountants  
Statutory Auditors  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date: *16 December 2020*

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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
NORTHGATE SCHOOL ARTS COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 16 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northgate School Arts College during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Northgate School Arts College's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Northgate School Arts College's funding agreement with the Secretary of State for Education dated 1 July 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.



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**NORTHGATE SCHOOL ARTS COLLEGE**

(A Company Limited by Guarantee)

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

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**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of 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 a sample of payroll payments to staff;
- Testing of a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- 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 2019 to 31 August 2020 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 Auditors  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date: *16 December 2020*

**NORTHGATE SCHOOL ARTS COLLEGE**

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	36,808	11,197	28,617	76,622	132,761
Charitable activities	4	-	4,465,539	-	4,465,539	4,025,880
Other trading activities	5	160,010	39,140	-	199,150	324,505
Investments	6	457	-	-	457	508
<b>Total income</b>		<b>197,275</b>	<b>4,515,876</b>	<b>28,617</b>	<b>4,741,768</b>	<b>4,483,654</b>
<b>Expenditure on:</b>						
Raising funds		137,381	54,254	-	191,635	335,832
Charitable activities		-	4,966,247	244,593	5,210,840	4,456,469
<b>Total expenditure</b>	7	<b>137,381</b>	<b>5,020,501</b>	<b>244,593</b>	<b>5,402,475</b>	<b>4,792,301</b>
<b>Net income/ (expenditure)</b>		<b>59,894</b>	<b>(504,625)</b>	<b>(215,976)</b>	<b>(660,707)</b>	<b>(308,647)</b>
Transfers between funds	17	(15,000)	(103,726)	118,726	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>44,894</b>	<b>(608,351)</b>	<b>(97,250)</b>	<b>(660,707)</b>	<b>(308,647)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	67,000	-	67,000	(1,299,000)
<b>Net movement in funds</b>		<b>44,894</b>	<b>(541,351)</b>	<b>(97,250)</b>	<b>(593,707)</b>	<b>(1,607,647)</b>

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Reconciliation of funds:					
Total funds brought forward	17,577	(1,694,797)	4,822,681	3,145,461	4,753,108
Net movement in funds	44,894	(541,351)	(97,250)	(593,707)	(1,607,647)
Total funds carried forward	<u>62,471</u>	<u>(2,236,148)</u>	<u>4,725,431</u>	<u>2,551,754</u>	<u>3,145,461</u>

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

The notes on pages 29 to 57 form part of these financial statements.

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**NORTHGATE SCHOOL ARTS COLLEGE**

(A Company Limited by Guarantee)  
REGISTERED NUMBER: 07734360

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**BALANCE SHEET  
AS AT 31 AUGUST 2020**

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	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	4,725,431	4,816,434
<b>Current assets</b>			
Stocks	13	1,970	5,322
Debtors	14	113,132	79,551
Cash at bank and in hand		857,903	819,454
		<u>973,005</u>	<u>904,327</u>
Creditors: amounts falling due within one year	15	(114,682)	(94,873)
<b>Net current assets</b>		<u>858,323</u>	<u>809,454</u>
<b>Total assets less current liabilities</b>		<u>5,583,754</u>	<u>5,625,888</u>
Creditors: amounts falling due after more than one year	16	-	(4,427)
<b>Net assets excluding pension liability</b>		<u>5,583,754</u>	<u>5,621,461</u>
Defined benefit pension scheme liability	24	(3,032,000)	(2,476,000)
<b>Total net assets</b>		<u><u>2,551,754</u></u>	<u><u>3,145,461</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	4,725,431	4,822,681
Restricted income funds	17	795,852	781,203
Restricted funds excluding pension liability	17	<u>5,521,283</u>	<u>5,603,884</u>
Pension reserve	17	(3,032,000)	(2,476,000)
<b>Total restricted funds</b>	17	<u>2,489,283</u>	<u>3,127,884</u>
<b>Unrestricted income funds</b>	17	<u>62,471</u>	<u>17,577</u>
<b>Total funds</b>		<u><u>2,551,754</u></u>	<u><u>3,145,461</u></u>

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**NORTHGATE SCHOOL ARTS COLLEGE**

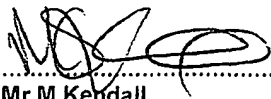
**(A Company Limited by Guarantee)**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 24 to 57 were approved and authorised for issue by the Governors and are signed on their behalf, by:



.....  
**Mr M Kendall**  
Chair of Governors

Date: 10/12/20

The notes on pages 29 to 57 form part of these financial statements.

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	164,202	178,652
<b>Cash flows from investing activities</b>	21	(124,516)	(68,712)
<b>Cash flows from financing activities</b>	20	(8,249)	-
<b>Change in cash and cash equivalents in the year</b>		31,437	109,940
Cash and cash equivalents at the beginning of the year		819,454	709,514
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<u>850,891</u>	<u>819,454</u>

The notes on pages 29 to 57 from part of these financial statements

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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1. Accounting policies

Northgate School Arts College is a private company limited by guarantee, incorporated in England. Its registered number and address of registered office are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

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.

The financial statements are prepared in £ sterling, rounded to the nearest £1.

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

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Northgate School Arts College meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The Governors 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 Governors 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 period is deducted from income and recognised as a liability.

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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

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.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the *Statement of Financial Activities* in the period in which it is receivable (where there are no performance-related conditions) where 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 period in which it is receivable and to the extent the Academy Trust has provided the goods or services.

**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.



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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 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 £750 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 25% to 33% straight line
Motor vehicles	- 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 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.8 Debtors**

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

**1.9 Cash at bank and in hand**

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

**1.10 Liabilities**

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

**1.11 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.

**1.12 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 notes 15 and 16. 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.

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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1. Accounting policies (continued)

##### 1.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Academy Trust. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.14 Operating leases

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

##### 1.15 Pensions

Retirement benefits to employees of the 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.

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.

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## **NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **1. Accounting policies (continued)**

##### **1.16 Agency arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to the 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

##### **1.17 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 Governors.

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

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

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

#### **2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The 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 24, 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 2020. 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.

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**3. Income from donations and capital grants**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	36,808	11,197	-	48,005	75,453
Capital Grants	-	-	28,617	28,617	57,308
	<u>36,808</u>	<u>11,197</u>	<u>28,617</u>	<u>76,622</u>	<u>132,761</u>
Total 2019	<u>4,681</u>	<u>70,772</u>	<u>57,308</u>	<u>132,761</u>	

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**4. Funding for the Academy Trust's educational operations**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	2,260,000	2,260,000	2,134,237
Other DfE/EFA grants	53,984	53,984	16,367
Pupil premium	71,408	71,408	68,200
	<u>2,385,392</u>	<u>2,385,392</u>	<u>2,218,804</u>
<b>Other government grants</b>			
Local authority grants	2,049,687	2,049,687	1,775,887
	<u>2,049,687</u>	<u>2,049,687</u>	<u>1,775,887</u>
<b>Other funding</b>			
Other income	23,243	23,243	28,753
Teacher recharges	7,217	7,217	2,436
	<u>30,460</u>	<u>30,460</u>	<u>31,189</u>
	<u>4,465,539</u>	<u>4,465,539</u>	<u>4,025,880</u>
<b>Total 2019</b>	<u>4,025,880</u>	<u>4,025,880</u>	

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funds claimable/claimed at 31 August 2020 are £33,046 in relation to the Coronavirus exceptional support grant and £58,785 in relation to the Coronavirus Job Retention Scheme grant.

The funding received for coronavirus exceptional support covers costs in relation to the furlough of 11 staff members. These costs are included in notes 7 below as appropriate.

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**5. Income from other trading activities**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income	3,963	-	3,963	5,993
School uniform, staff vending machines and trip income	-	25,366	25,366	32,641
School meal income	-	13,774	13,774	17,248
Trading income	156,047	-	156,047	268,623
	<u>160,010</u>	<u>39,140</u>	<u>199,150</u>	<u>324,505</u>

**6. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	457	457	508
	<u>457</u>	<u>457</u>	<u>508</u>
Total 2019	<u>508</u>	<u>508</u>	

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**7. Expenditure**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising voluntary income:					
Direct costs	-	-	29,585	29,585	16,980
Expenditure on fundraising trading activities:					
Direct costs	25,282	-	136,768	162,050	318,852
Educational operations:					
Direct costs	2,775,674	-	111,769	2,887,443	2,726,848
Allocated support costs	1,622,874	362,835	337,688	2,323,397	1,729,621
	<u>4,423,830</u>	<u>362,835</u>	<u>615,810</u>	<u>5,402,475</u>	<u>4,792,301</u>
Total 2019	<u>3,833,109</u>	<u>347,744</u>	<u>611,448</u>	<u>4,792,301</u>	



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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**8. Analysis of expenditure by activities**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	2,887,443	2,323,397	5,210,840	4,456,469
	<u>2,887,443</u>	<u>2,323,397</u>	<u>5,210,840</u>	
Total 2019	2,726,848	1,729,621	4,456,469	
	<u>2,726,848</u>	<u>1,729,621</u>	<u>4,456,469</u>	

**Analysis of support costs**

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
LGPS pension costs	52,000	52,000	28,000
Staff costs	1,622,874	1,622,874	1,113,261
Depreciation	244,593	244,593	244,995
Technology costs	75,874	75,874	81,682
Premises costs	118,242	118,242	102,335
Governance costs	92,134	92,134	64,613
Other support costs	117,680	117,680	94,735
	<u>2,323,397</u>	<u>2,323,397</u>	<u>1,729,621</u>
	<u>2,323,397</u>	<u>2,323,397</u>	<u>1,729,621</u>
Total 2019	1,729,621	1,729,621	
	<u>1,729,621</u>	<u>1,729,621</u>	

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	7,236	20,264
Depreciation of tangible fixed assets	244,593	244,995
Fees paid to auditor for:		
- audit	6,500	6,500
- other services	5,300	5,250
	<u>          </u>	<u>          </u>

**9. Staff****a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,037,533	2,851,115
Social security costs	249,011	229,018
Pension costs	1,137,286	746,693
	<u>          </u>	<u>          </u>
	4,423,830	3,826,826
Staff restructuring costs	-	6,283
	<u>          </u>	<u>          </u>
	4,423,830	3,833,109
	<u>          </u>	<u>          </u>

Staff restructuring costs comprise:

Severance payments	-	6,283
	<u>          </u>	<u>          </u>

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

Included in staff restructuring costs for the year are non statutory severance costs to two employee's totalling £nil (2019 - £6,283).

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**9. Staff (continued)****c. Staff numbers**

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

	2020 No.	2019 No.
Teachers	30	28
Administration and support	131	112
Management	6	6
	<u>167</u>	<u>146</u>

**d. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2020, pension contributions for these members of staff amounted to £70,242 (2019 - £36,716).

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £546,121 (2019 £488,431).

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**10. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Governors 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 Governors' remuneration and other benefits was as follows:

		2020	2019
		£	£
Miss S Webb, Executive Head Teacher and Accounting Officer	Remuneration	95,000 -	90,000 -
		100,000	95,000
	Pension contributions paid	20,000 -	15,000 -
		25,000	20,000
Mr D Skuce, Staff Governor (resigned 13 March 2019)	Remuneration	N/A	25,000 -
			30,000
	Pension contributions paid	N/A	0 - 5,000

During the year ended 31 August 2020, no Governor expenses have been incurred (2019 - £NIL).

**11. Governors' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors 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 2020 was £281 (2019 - £437). The cost of this insurance is included in the total insurance cost.

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**NORTHGATE SCHOOL ARTS COLLEGE**

(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**12. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	5,841,593	95,872	225,105	108,622	6,271,192
Additions	135,101	9,955	8,534	-	153,590
At 31 August 2020	<u>5,976,694</u>	<u>105,827</u>	<u>233,639</u>	<u>108,622</u>	<u>6,424,782</u>
<b>Depreciation</b>					
At 1 September 2019	1,112,063	84,410	184,265	74,020	1,454,758
Charge for the year	196,567	5,336	32,120	10,570	244,593
At 31 August 2020	<u>1,308,630</u>	<u>89,746</u>	<u>216,385</u>	<u>84,590</u>	<u>1,699,351</u>
<b>Net book value</b>					
At 31 August 2020	<u>4,668,064</u>	<u>16,081</u>	<u>17,254</u>	<u>24,032</u>	<u>4,725,431</u>
At 31 August 2019	<u>4,729,530</u>	<u>11,462</u>	<u>40,840</u>	<u>34,602</u>	<u>4,816,434</u>

The Academy Trust's transactions relating to land and buildings included refurbishments to the Bee Hive and a new building built in relation to Sweet Bee using funds from the GAG and ESFA, valued at £135,101.

**13. Stocks**

	2020 £	2019 £
Finished goods and goods for resale	<u>1,970</u>	<u>5,322</u>

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**14. Debtors**

	2020 £	2019 £
Trade debtors	2,753	4,282
Other debtors	17,351	11,832
Prepayments and accrued income	93,028	63,437
	<u>113,132</u>	<u>79,551</u>

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

	2020 £	2019 £
Trade creditors	18,661	3,407
Other taxation and social security	59,297	56,290
Obligations under finance lease and hire purchase contracts	-	3,822
Accruals and deferred income	36,724	31,354
	<u>114,682</u>	<u>94,873</u>

	2020 £	2019 £
Deferred income at 1 September 2019	1,330	-
Resources deferred during the year	3,755	1,330
Amounts released from previous periods	(1,330)	-
	<u>3,755</u>	<u>1,330</u>

Deferred income relates to educational visit donations and music tuition donations.

**16. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Obligations under finance lease and hire purchase contracts	<u>-</u>	<u>4,427</u>

**NORTHGATE SCHOOL ARTS COLLEGE**

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**17. Statement of funds**

	Balance at 1. September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General unrestricted fund	17,577	197,275	(137,381)	(15,000)	-	62,471
<b>Restricted general funds</b>						
General Annual Grant	360,075	2,260,000	(2,187,262)	(103,726)	-	329,087
Other DfE/ESFA	1,231	53,984	(37,230)	-	-	17,985
ESFA Pupil premium	3,059	71,408	(74,467)	-	-	-
Local authority grants	67,520	2,049,687	(2,006,294)	-	-	110,913
Miscellaneous restricted	17,161	48,609	(39,236)	-	-	26,534
Transfer from LA	225,657	-	-	-	-	225,657
GUTP/Teacher recharges	2,436	7,217	(9,653)	-	-	-
Donations	69,537	1,588	-	-	-	71,125
Other restricted funds	34,527	23,383	(43,359)	-	-	14,551
Pension reserve	(2,476,000)	-	(623,000)	-	67,000	(3,032,000)
	<u>(1,694,797)</u>	<u>4,515,876</u>	<u>(5,020,501)</u>	<u>(103,726)</u>	<u>67,000</u>	<u>(2,236,148)</u>

**NORTHGATE SCHOOL ARTS COLLEGE**

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**17. Statement of funds (continued)**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	951,326	-	(40,766)	17,192	-	927,752
Capital expenditure from GAG	416,689	-	(40,766)	86,520	-	462,443
Transfer from LA	3,293,380	-	(40,763)	-	-	3,252,617
Devolved formula capital	59,939	-	(40,766)	17,670	-	36,843
Capital expenditure non GAG	51,327	-	(40,766)	32,207	-	42,768
Capital expenditure from LA grants	43,774	-	(40,766)	-	-	3,008
Devolved formula capital - unspent	6,246	28,617	-	(34,863)	-	-
	<u>4,822,681</u>	<u>28,617</u>	<u>(244,593)</u>	<u>118,726</u>	<u>-</u>	<u>4,725,431</u>
<b>Total Restricted funds</b>	<u>3,127,884</u>	<u>4,544,493</u>	<u>(5,265,094)</u>	<u>15,000</u>	<u>67,000</u>	<u>2,489,283</u>
<b>Total funds</b>	<u><u>3,145,461</u></u>	<u><u>4,741,768</u></u>	<u><u>(5,402,475)</u></u>	<u><u>-</u></u>	<u><u>67,000</u></u>	<u><u>2,551,754</u></u>



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**NORTHGATE SCHOOL ARTS COLLEGE**

**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**17. Statement of funds (continued)**

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

Restricted fixed asset funds amounting to £4,725,431 (2019 - £4,816,434) will be reserved against future depreciation charges.

Unrestricted funds amounting to £31,936 were transferred to restricted fixed asset reserves in relation to amounts capitalised.

The General Annual Grant (GAG) represents the core funding for the educational activities of the School that has been provided to the Academy Trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been set up because the GAG must be used for the normal educational running costs of the Academy Trust. In the year, a transfer of £103,726 was made to restricted fixed asset reserves in relation to amounts capitalised.

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 2020.

# **NORTHGATE SCHOOL ARTS COLLEGE**

(A Company Limited by Guarantee)

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**

### **17. Statement of funds (continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General unrestricted fund	7,937	279,805	(270,165)	-	-	17,577
<b>Restricted general funds</b>						
General Annual Grant	238,674	2,134,237	(1,937,370)	(75,466)	-	360,075
Other DfE/ESFA	40	16,367	(15,176)	-	-	1,231
ESFA Pupil premium	2,099	68,200	(67,240)	-	-	3,059
Local authority grants	118,484	1,775,887	(1,826,851)	-	-	67,520
Miscellaneous restricted	11,404	37,556	(31,799)	-	-	17,161
Transfer from LA	225,657	-	-	-	-	225,657
GUTP/Teacher recharges	-	2,436	-	-	-	2,436
Donations	29,664	48,934	(9,061)	-	-	69,537
Other restricted funds	20,248	62,924	(48,645)	-	-	34,527
Pension reserve	(836,000)	-	(341,000)	-	(1,299,000)	(2,476,000)
	<u>(189,730)</u>	<u>4,146,541</u>	<u>(4,277,142)</u>	<u>(75,466)</u>	<u>(1,299,000)</u>	<u>(1,694,797)</u>

# NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

### 17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	1,008,722	-	(79,291)	21,895	-	951,326
Capital expenditure from GAG	428,187	-	(86,964)	75,466	-	416,689
Transfer from LA	3,369,596	-	(76,216)	-	-	3,293,380
Devolved formula capital	33,295	-	(2,523)	29,167	-	59,939
Capital expenditure non GAG	51,327	-	-	-	-	51,327
Capital expenditure from LA grants	43,774	-	-	-	-	43,774
Devolved formula capital - unspent	-	57,308	-	(51,062)	-	6,246
	<u>4,934,901</u>	<u>57,308</u>	<u>(244,994)</u>	<u>75,466</u>	<u>-</u>	<u>4,822,681</u>
<b>Total Restricted funds</b>	<u>4,745,171</u>	<u>4,203,849</u>	<u>(4,522,136)</u>	<u>-</u>	<u>(1,299,000)</u>	<u>3,127,884</u>
<b>Total funds</b>	<u>4,753,108</u>	<u>4,483,654</u>	<u>(4,792,301)</u>	<u>-</u>	<u>(1,299,000)</u>	<u>3,145,461</u>

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**18. Analysis of net assets between funds****Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	4,725,431	4,725,431
Current assets	71,508	901,497	-	973,005
Creditors due within one year	(9,037)	(105,645)	-	(114,682)
Provisions for liabilities and charges	-	(3,032,000)	-	(3,032,000)
<b>Total</b>	<b>62,471</b>	<b>(2,236,148)</b>	<b>4,725,431</b>	<b>2,551,754</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	4,816,434	4,816,434
Current assets	17,577	880,503	6,247	904,327
Creditors due within one year	-	(94,873)	-	(94,873)
Creditors due in more than one year	-	(4,427)	-	(4,427)
Provisions for liabilities and charges	-	(2,476,000)	-	(2,476,000)
<b>Total</b>	<b>17,577</b>	<b>(1,694,797)</b>	<b>4,822,681</b>	<b>3,145,461</b>

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020.**

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**19. Reconciliation of net expenditure to net cash flow from operating activities**

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(660,707)	(308,647)
<b>Adjustments for:</b>		
Depreciation	244,593	244,995
Capital grants from DfE and other capital income	(28,617)	(57,308)
Interest receivable	(457)	(508)
Defined benefit pension scheme cost less contributions payable	571,000	313,000
Defined benefit pension scheme finance cost	52,000	28,000
Decrease in stocks	3,352	-
Increase in debtors	(21,932)	(39,164)
Increase/(decrease) in creditors	4,970	(1,716)
<b>Net cash provided by operating activities</b>	<b>164,202</b>	<b>178,652</b>

**20. Cash flows from financing activities**

	2020 £	2019 £
Repayments of finance leases	(8,249)	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(8,249)</b>	<b>-</b>

**21. Cash flows from investing activities**

	2020 £	2019 £
Interest receivable	457	508
Purchase of tangible fixed assets	(153,590)	(126,528)
Capital grants from DfE Group	28,617	57,308
<b>Net cash used in investing activities</b>	<b>(124,516)</b>	<b>(68,712)</b>

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**22. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	850,891	819,454
<b>Total cash and cash equivalents</b>	<b>850,891</b>	<b>819,454</b>

**23. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	819,454	38,449	857,903
Finance leases	(8,249)	8,249	-
	<b>811,205</b>	<b>46,698</b>	<b>857,903</b>

**24. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 2016 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.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 24. Pension commitments (continued)

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £284,286 (2019 - £194,015).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 2020 was £376,000 (2019 - £323,000), of which employer's contributions totalled £282,000 (2019 - £239,000) and employees' contributions totalled £ 94,000 (2019 - £84,000). The agreed contribution rates for future years are 17.6% 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.

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**24. Pension commitments (continued)****Principal actuarial assumptions**

	2020 %	2019 %
Rate of increase in salaries	1.7	1.9
Expected return on scheme assets at 31 August	1.7	1.9
Discount rate for scheme liabilities	2.7	2.6
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums	50.0	50.0

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.5	22.1
Females	23.7	24.2
<i>Retiring in 20 years</i>		
Males	22.3	23.9
Females	25.1	26.1

**Sensitivity analysis**

	2020 £	2019 £
Discount rate +0.5%	1,024,000	937,000
Discount rate -0.5%	(1,024,000)	(937,000)
Mortality assumption - 1 year increase	214,000	182,000
Mortality assumption - 1 year decrease	(214,000)	(182,000)
CPI rate +0.5%	976,000	844,000
CPI rate -0.5%	(976,000)	(844,000)



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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**24. Pension commitments (continued)**

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

	2020 £	2019 £
Equities	2,825,000	2,596,000
Corporate bonds	655,000	613,000
Property	491,000	324,000
Cash and other liquid assets	123,000	72,000
<b>Total market value of assets</b>	<b>4,094,000</b>	<b>3,605,000</b>

The actual return on scheme assets was £150,000 (2019 - £72,100).

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

	2020 £	2019 £
Current service cost	(843,000)	(531,000)
Past service cost	(10,000)	(21,000)
Interest income	72,000	92,000
Interest cost	(124,000)	(120,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(905,000)</b>	<b>(580,000)</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>6,081,000</b>	<b>3,985,000</b>
Interest cost	124,000	120,000
Employee contributions	94,000	84,000
Actuarial losses	11,000	1,370,000
Benefits paid	(37,000)	(30,000)
Past service costs	10,000	21,000
Current service cost	843,000	531,000
<b>At 31 August</b>	<b>7,126,000</b>	<b>6,081,000</b>

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**NORTHGATE SCHOOL ARTS COLLEGE****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**24. Pension commitments (continued)**

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

	2020 £	2019 £
At 1 September	3,605,000	3,149,000
Interest income	72,000	92,000
Actuarial gains	78,000	71,000
Employer contributions	282,000	239,000
Employee contributions	94,000	84,000
Benefits paid	(37,000)	(30,000)
At 31 August	<u>4,094,000</u>	<u>3,605,000</u>

The amounts recognised in the Balance Sheet are as follows:

	2020 £	2019 £
Closing defined benefit obligation	(7,126,000)	(6,081,000)
Closing fair value of scheme assets	4,094,000	3,605,000
	<u>(3,032,000)</u>	<u>(2,476,000)</u>

Total remeasurements recognised in Other Comprehensive Income:

	2020 £	2019 £
Changes in financial assumptions	(202,000)	(1,370,000)
Changes in demographic assumptions	244,000	-
Other remeasurements	25,000	71,000
	<u>67,000</u>	<u>(1,299,000)</u>

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## NORTHGATE SCHOOL ARTS COLLEGE

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 25. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	6,972	7,236
Later than 1 year and not later than 5 years	3,486	10,458
	<u>10,458</u>	<u>17,694</u>

#### 26. 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.

#### 27. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year ended 31 August 2020 there were purchases from KCOM Group PLC for £5,347 (2019 - £7,637) relating to broadband services. These broadband service contracts were let by emPSN Services Ltd on their behalf. M Kendall, chair of Governors, is a director of emPSN services. There were no amounts outstanding at the year end (2019 - £Nil.)

Mr R Osborne, a Governor of the Northgate School Arts College, was also a director of Northamptonshire Chamber of Commerce. During the year, The Northgate School Arts College made purchases from Northamptonshire Chamber of Commerce of £194 (2019 - £496). There were no amounts outstanding at the year end (2019 - £Nil).

#### 28. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the Academy Trust received £6,865 (2019 - £5,364) and disbursed £8,415 (2019 - £11,413) from the fund. An amount of £Nil (2019 - £nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.