

Company Registration Number: 07734360 (England & Wales)

REGISTRAR COPY

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

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NORTHGATE SCHOOL ARTS COLLEGE
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr M Kendall Mrs J Cartwright Mrs L Goedhuis (Resigned 17 September 2022)
Governors	Mr M Kendall, Chair (Resigned as Chair 22 September 2022) Miss S Webb, Executive Headteacher and Accounting Officer Mrs J Cartwright Mrs D Chandley (Appointed as Chair 10 October 2022) Ms Z Moore (resigned 29 September 2021) Mr R Osborne Mrs M Richards Mr A Sharp (resigned 27 October 2022) Mrs J Woods Mr A Billing (appointed 1 January 2022) Mrs D Saxby (appointed 1 January 2022) Mr M Trundle (appointed 23 March 2022) Mr T Davies (appointed 11 October 2022) Mrs F Potter (appointed 11 October 2022)
Company registered number	07734360
Company name	Northgate School Arts College
Principal and registered office	Queens Park Parade Kingsthorpe Northampton Northamptonshire NN2 6LR
Company secretary	Mrs C Cope
Senior management team	Miss S Webb, Executive Headteacher Mrs F Shears, Head of School Mrs J Fitzpatrick, Assistant Headteacher Mrs L Michaelides, Deputy Headteacher Mrs S Nembhard, Deputy Headteacher
Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers	Lloyds Bank Plc 2 George Row Northampton NN1 1DJ
Solicitors	Anthony Collins 134 Edmund Street Birmingham B3 2ES

NORTHGATE SCHOOL ARTS COLLEGE
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees/Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' 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 260 in the school census on 19 May 2022.

Structure, governance and management

a. 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 (Academy Trust) 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 Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

b. 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.

c. Governors' indemnities

Governors benefit from indemnity insurance to cover 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 £281.

d. 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) and other elected (community) members of the Governing Body. As a result of a parent resignation this year, there are currently no Parent Governors on the Governing Body.

The Governing Body have decided to actively advertise and recruit at least two new governors for the academic year 2022/2023.

Parent Governors are elected following letters to current parents requested interested parties to apply. Elections would be held should there be more applicants than places. Interested parties are interviewed prior to being elected onto the FGB. Other Governors have previously been sought using local advertising, the National Association of Governors information or 'Word of Mouth'.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. 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 and subsequent training and induction is provided depending on their existing experience and/or their willingness to learn new skills.

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 Place to Bee and the opportunity to meet the staff and pupils.

f. 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, two Deputy Heads, 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 the authorisation with agreed budgets and appointment of staff, however a Governor will always be on the recruitment panel when appointing member of Senior Management and usually when appointing a member of staff for the rest of the Academy. 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 32.6. 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 (x3), Cover Supervisors, Outreach, Medical and Welfare and Mental Health and Wellbeing staff.

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

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

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

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

The whole staff team 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.

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.

h. Related parties and other connected charities and organisations

There are no related parties other than those detailed in note 25.

i. Trade union facility time

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

Objectives and activities

a. Objects and aims

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

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2022 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 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;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness and;
- To provide an appropriate education to all pupils throughout the Covid-19 pandemic either, in person, on-line or as hard copy.

The Academy'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 identified pupils to attain academic qualifications;
- Positive professional development and 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.

c. Public benefit

The Academy Trust promotes education for the benefit of the local community and county of Northampton including the newly formed West and North Northants unitary councils 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

Strategic report

Achievements and performance

This is the Academy's eleventh year of operation and pupil numbers consistently remain at and above capacity. Total pupils in year ended 31 August 2021 was 260, the pupil roll in the new academic year 1 September 2022 is 260.

The impact of Covid-19 has presented the school with a number of challenges over the 2 years since the Academy experienced a number of lockdowns beginning in March 2020. The focus since September has been on ensuring staff and pupils are prepared for a return to a more normal school day alongside access to a full curriculum offer, supported once more by trips, visits and residential activities. The school environment continues to be managed to enable the Academy Trust to keep pupils, staff and visitors safe.

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

The pupils that attended the school prior to lockdown have found it much easier to return to class than those who joined the school in either September 2021 or 2022. We have a small number of pupils on roll who are either not attending at all, or who are attending on a reduced timetable, as we work to increase their confidence and assuage their anxiety. For those pupils in years 7, 8 and 9 who have been most affected we have increased their families contact with teaching staff, the level of support in place from the Family Support Worker team and incorporated regular contact at home as well as encouraging attendance in school. This has had implications for the curriculum and we have increased the time and number of sessions allocated to social story activities, team building opportunities, the use of personalised timetables and involvement with therapy staff working within school.

The outbreak of the virus had affected the morale of staff in various measures, but the return to school this year has seen a new buoyancy in the team.

As a result of the Covid-19 lockdowns, the school responded quickly to the requirement to provide remote learning for pupils and used a variety of teaching strategies including paper based activities, research and practical scenarios, online learning opportunities and direct teaching via Team's. We have clear plans in place to enable a swift response should we ever return to a lockdown situation. This provision has remained in place for a small number of pupils who still have not returned.

The staff and pupils attendance, linked to Covid-19 over the last year affected aspects of the Academy's delivery. Whilst we returned to school to deliver the curriculum including catch-up programmes and additional tutoring for specific pupils, we had to use supply support to ensure a safe level of staffing in the classrooms. The year saw a return to the work experience programme both internally and externally which enabled pupils to build employability skills and build confidence and self esteem.

The Bee Hive businesses reopened and pupils could once again access the vocational aspects of the timetable.

The virus controls had affected the way potential pupils and families were able to visit the school as they approached transition and this impacted on the confidence of the young people on joining the school. The guidance for schools on the management of Covid-19 by the DfE has continued to be confused especially for SEND schools. The focus has been on ensuring all pupils are attending school and making progress now that the more limiting restrictions have been lifted and there has been a return to the more normal movement of staff and pupils around the buildings.

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

We have seen a return of the volunteers that support the Academy either working alongside the students to support the teacher and/or the embedding of skills either in the classroom or business areas.

There were no volunteers on site from the onset of the initial lockdown in March 2020. This year has seen a return of volunteers in both school and the business.

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 open and the public have returned to support us. The Place to Bee opened to the public last year and 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.

The return to school based examinations this summer was handled very well by all of the pupils entered for qualifications. This year has been another exceptional year with record number of entries at GCSE level across English Literature, English Language, Maths, Biology, Art, History and RE. There has been an increase in higher grades achieved in all areas of the curriculum.

73% of the cohort entered at least 1 GCSE, 92 of the cohort entered at least 1 Entry Level qualification, although we have a reduced number of curriculum areas offered in this qualification with a 97% pass rate.

The Year 11 total exam entries in GCSE, Entry Level, Level 1 and Functional Skills for 33 pupils was 265 of which 252 were passes, a pass rate of 95%.

The breakdown of results is 100 GCSE entries with 97% pass rate, 153 Entry Level entries with 97% pass rate, 12 Functional Skills entries with 33% pass rate.

Achievements and performance

a. 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 2022 staffing costs amounted to 92% (2021: 87%) of total income.

The Academy Trust also monitors its operating surplus or deficit as a percentage of total income. For the year ending 31 August 2022 the operating deficit equated to 17%, (2021: 5%) of the total income (excluding restricted fixed asset funds).

b. Going concern

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

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Financial Review

The Academy'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 2022 and associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy 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 2015) such grants are shown in the Statement of Financial Activities as restricted income in the fixed income asset fund.

The restricted assets fund balance is reduced by annual appreciation charges over the expected useful life of the asset concerned.

During the year 31 August 2022, total restricted general funds expenditure of £5,919,573 was covered by recurrent grant funding from the DfE together with other income resources. The in-year surplus amounted to £29,957 (2021 surplus: £335,473). The pension cost is not included when calculating restricted funds in-year surplus or deficit.

At 31 August 2022, the net book value of fixed assets was £4,529,954 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 22 of the accounts.

In the year capital funding of £83,966 was received from the ESFA, as detailed in note 3.

In the year £76,351 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 £215,843. This income is off-set against the staff and running costs of provision.

The Place to Bee had a trading income of £43,635.

This academic year the Academy has continued to support all pupils to catch up on their learning lost during the pandemic and various lockdowns and will continue to spend monies not expensed to meet the curriculum expectations for the next and subsequent academic years.

This academic year the government has provided funding of £49,142 as part of the Recovery Premium and National Tutoring Programme.

The funding assumes the implementation of the key principles of:

1. Education is not optional – all pupils will receive high quality education that promotes their development and prepares them for opportunities, responsibilities and experiences of later life. Pupils are expected to be in school.
2. The curriculum retains its breadth and challenge – all pupils continue to be taught a wide range of subjects, maintaining choices for further study and employment.
3. Remote education – ongoing, when required it should be of a high quality and align as closely as possible to the in-school provision. Schools need to build their capacity to educate pupils remotely and respond quickly should they be required to implement their planning.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

As a result of the DfE laptop scheme the Academy received 144 laptops in total. These have been distributed to pupils in the Academy.

a. 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 £43,072 (2021: £39,058) which is less than is needed. The academy intends to build up free reserves to the level needed, details of which can be found in the Academy's Reserves Policy.

The LGPS deficit of £421,000 (2021: £4,614,000) is viewed as a long term balance.

At 31 August 2022 the total funds comprised:

Unrestricted		43,072
Restricted:	Fixed asset funds	4,559,747
	Pension reserve	(421,000)
	Other	1,180,681

		5,362,500
		=====

b. 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

c. 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, 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;
- 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.

The Academy Trust practices through the governing body and the constituted sub-committees, risk management principles. Any major risks 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.

NORTHGATE SCHOOL ARTS COLLEGE
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

Approach to Fundraising

All aspects of fundraising ceased over the lockdown periods as the majority of monies raised by the Trust are from running events that are organised by the pupils and attract the local community and wider public. Only this year have we started to plan for a return to normal fundraising activities of this nature and as a result we have hosted a number of successful events as part of our social calendar.

Donations from external charities were also greatly reduced as they rely heavily on the generous support of the wider public.

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees. 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.
- 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. The school will not seek funding from alcohol or tobacco companies, from payday 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 continues to be 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.
- Work with all members of the school community ie School Council, Parent Association with regard to identifying projects and activities.
- Take into consideration parent/carers and staff consultations when identifying needs.
- 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising (continued)

- 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.
- 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:
 - o Continued development of the 16-25 provision at the Place to Bee.
 - o Continued development and expansion of the Supported Internship programme, working with Mencap and other providers.
2. The Academy has expanded its provision for students 16-25 years, alongside the requirement to extend The Bee Hive provision as numbers continue to grow.
 - o The Academy continues to expand its provision for students 16-25 years and is building on the success of the Place to Bee which provides support for teaching aspects of Preparation for Adulthood.

Rapid changes in the Local Authority in recent years has provided challenge and the Academy continue to support the development of SEND services countywide.

Funds held as custodian on behalf of others

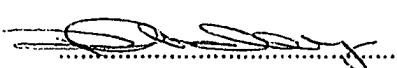
The Academy Trust does not act as custodian or hold funds on behalf of others.

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 was approved by order of the Board of Governors, as the company directors, on and signed on its behalf by:


Mrs D Chandley
Chair of Governors

Date: 06.12.22

NORTHGATE SCHOOL ARTS COLLEGE
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees 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 Trustees 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 Trustees 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. Despite a number of Covid-19 lockdowns and periods of prolonged school closures, the governing body has formally met 4 times during the year and 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	4	4
Miss S Webb, Executive Headteacher & Accounting Officer	4	4
Mrs J Cartwright	0	0
Mrs D Chandley	4	4
Ms Z Moore (resigned 29 September 2021)	0	0
Mr R Osborne	4	4
Mrs M Richards	4	4
Mr A Sharp	4	4
Mrs J Woods	4	4
Mr A Billing (appointed 1 January 2022)	3	3
Mrs D Saxby (appointed 1 January 2022)	3	3
Mr M Trundle (appointed 23 March 2022)	2	2

During the year the Governing Body remained stable, however we received the resignation from one parent governor in September.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

Advise the Governing Body on all aspects of Finance, Pay and Performance in determining the Academy's values, vision and objectives.

Attendance at Business meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr R Osborne, Chair	4	6
Miss S Webb, Executive Headteacher & Accounting Officer	6	6
Mrs D Chandley	6	6
Mr M Kendall	2	2
Mr M Trundle (appointed 23 March 2022)	2	2

The Audit Committee is also a sub-committee of the main board of Governors. The committee has two functions:

- An audit function, with a focus on assurance arrangements over: governance, financial reporting, annual report and accounts, including the governance statement; and
- A risk assurance function, with a focus on ensuring there is an adequate and effective risk management and assurance framework in place.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mr M Kendall, Chair	4	4
Miss S Webb, Executive Headteacher & Accounting Officer	4	4
Mrs J Baker	3	4
Mrs F Potter	4	4
Mr A Sharp	3	4

Conflicts of interest

The Academy keeps an up-to-date and complete register of interests, which is filed on the website.

Data is populated from the Declarations of Pecuniary Interest that all trustees are required to complete at least annually and declare intermittently should their personnel or professional circumstances change.

To avoid any conflict of interests, the Governing Body as part of the Academy Trust ensure that:

- As part of the recruitment process all potential trustees are required to complete an application form and external references are request;
- All Trustees complete an application with their declarations of pecuniary interest;
- As a standard agenda item at the beginning of every meeting, those present are asked if they is any conflict of interest, this is minuted;
- Use the data collected to inform 'the committee' and raise awareness if an agenda item is likely to cause a conflict; and
- Any member of the meeting committee with a declared or known interest will not be present when decisions are being made; this eliminates the opportunity to influence which may also have a direct impact on their professional/business life.

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Meetings

All governors are on one or more committee and attend meetings regularly. The Full Governing Body meetings were 100% attended this year. All Trustees and members have access to the Governors Hub, an on-line library of information including meeting minutes and committee reports.

- Members meet three times a year and receive reports and meeting minutes from the relevant committees and the Academy's audit partners both internal and external.
- The Full Governing Body meets four times a year and receives reports from all committees.
- All other committees; Business, Facilities, Teaching and Standards and Audit and Risk meet at least 3 times a year to ensure effective oversight of specific areas of responsibility.

The meeting frequency of the various different committees ensures robust governance and effective management arrangements. More specifically the Academy Business Committee maintains an effective oversight of income and expenditure through Cash Flow and Budget Management reports. These are received by committee members every month and ensures a regular and appropriate level of ongoing information and communication. The committee meet at least 5 times a year, dictated by the release of budget information, reporting dates and visits from the Academy auditors.

Governance reviews

As part of an on-going programme of self-assessment and improvement, all members of the governing body complete a skills audit (last audit June 2021) with two governors completing an NGA (National Governors Association) Governance and Support course. The purpose of a skills audit is to identify strengths and weaknesses within the governance trust. The subsequent recruitment of new governors, as a result of the findings, can then concentrate on filling any gaps in expertise and/or experience, to benefit the Academy's development and strategic planning.

As part of the governance self-evaluation and progression:

- New governors must complete an induction. A training handbook is being developed to include a training matrix to maintain and build individual areas of expertise;
- The governors training programme this year has seen direct input into the Academy Strategic management Plan and development of the Three year Action Plan;
- Succession planning for the role of Chair of Governors was put into place and appropriate training completed for the role; and
- As part of the academy's internal and external audits; review of governance and compliance forms part of their checks.

Following recruitment of a number of governors in year, it is the academy's intention to undertake another skills audit and re-evaluate membership during 2022-2023.

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Executive 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 use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the 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;
- 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 period 1 September 2021 to 31 August 2022, reports have been undertaken regularly and subsequently challenged and approved by the Governing Body. The process of Internal Control and subsequent reports work in conjunction with the annual report and financial statements.

Capacity to handle risk

The board of Trustees 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 Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of the approval of the annual report and financial statements. This process is a standard agenda item and is reviewed by the board of Governors at every meeting.

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;
- identification and management of risks.

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Governors has decided to employ an independent auditor as internal auditor.

The Governing Body chose to purchase the skills and expertise of a local auditor. They are independent of the academy's external auditor and come recommended in the county.

Whilst the academy has always maintained a high standard of internal control; following the revised FRC Ethical Standard for auditors, we have assurance that, during the process of Internal Scrutiny audit in year, that all the fundamental principles have been respected namely: integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. These principles are reflected in the reports presented to the respective governing body committees.

The 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 financial procedures and governance;
- testing of procurement;
- testing of personnel and payroll; and
- testing of financial reporting.

On a quarterly basis, the auditor reports to governing body, through the audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis the auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

As a newly formed committee, it is the intention of the Audit and Risk Committee in 2022-2023 to formulate a schedule of works for the Internal Scrutiny audit to include areas not covered in 2021-2022.

There were no material control issues arising as a result of the work completed.

Review of effectiveness

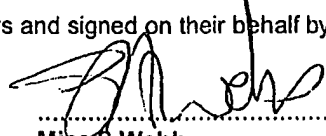
As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the auditor responsible for internal control;
- 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 work of the external auditor;
- correspondence from ESFA e.g. FNTI/NTI and 'minded to' letters.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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:


Mrs D Chandley
Chair of Governors


Miss S Webb
Accounting Officer

Date: 06.12.22

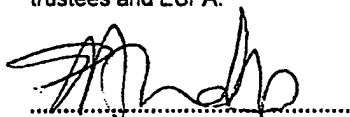
NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Northgate School Arts College Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 Academy Trust Handbook 2021.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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



.....
Miss S Webb
Accounting Officer

Date: 26.12.22

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022;
- 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:


Mrs D Chandley
Chair of Governors

Date: 06.12.22

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Northgate School Arts College (the 'academy trust') for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Governors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has 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.

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.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, 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.

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

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

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
Northampton

Date: 14 December 2022

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 3 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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; and
- Making appropriate enquiries of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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
Chartered Accountants
Statutory Auditors

Date: 14 December 2022

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	5,324	71,027	83,966	160,317	99,637
Other trading activities	5	294,240	55,881	-	350,121	126,763
Investments	6	147	-	-	147	110
Charitable activities		-	5,039,517	-	5,039,517	5,141,841
Total income		299,711	5,166,425	83,966	5,550,102	5,368,351
Expenditure on:						
Raising funds		73,876	219,985	-	293,861	112,255
Charitable activities		221,821	5,782,890	161,358	6,166,069	5,583,522
Total expenditure	7	295,697	6,002,875	161,358	6,459,930	5,695,777
Net income/ (expenditure)		4,014	(836,450)	(77,392)	(909,828)	(327,426)
Transfers between funds	16	-	(13,607)	13,607	-	-
Net movement in funds before other recognised gains/(losses)		4,014	(850,057)	(63,785)	(909,828)	(327,426)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	5,069,000	-	5,069,000	(1,021,000)
Net movement in funds		4,014	4,218,943	(63,785)	4,159,172	(1,348,426)

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds 2022	Restricted funds 2022	Restricted fixed asset funds 2022	Total funds 2022	Total funds 2021
Note	£	£	£	£	£
Reconciliation of funds:					
Total funds brought forward	39,058	(3,459,262)	4,623,532	1,203,328	2,551,754
Net movement in funds	4,014	4,218,943	(63,785)	4,159,172	(1,348,426)
Total funds carried forward	43,072	759,681	4,559,747	5,362,500	1,203,328

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

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

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07734360


BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	4,529,954	4,623,532
Current assets			
Stocks	13	10,821	6,843
Debtors	14	102,920	70,928
Cash at bank and in hand	20	1,385,472	1,216,939
		<u>1,499,213</u>	<u>1,294,710</u>
Creditors: amounts falling due within one year	15	(245,667)	(100,914)
Net current assets		<u>1,253,546</u>	<u>1,193,796</u>
Total assets less current liabilities		<u>5,783,500</u>	<u>5,817,328</u>
Net assets excluding pension liability		<u>5,783,500</u>	<u>5,817,328</u>
Defined benefit pension scheme liability	22	(421,000)	(4,614,000)
Total net assets		<u><u>5,362,500</u></u>	<u><u>1,203,328</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	16	4,559,747	4,623,532
Restricted income funds	16	1,180,681	1,154,738
Pension reserve	16	(421,000)	(4,614,000)
Total restricted funds	16	<u>5,319,428</u>	<u>1,164,270</u>
Unrestricted income funds	16	<u>43,072</u>	<u>39,058</u>
Total funds		<u><u>5,362,500</u></u>	<u><u>1,203,328</u></u>

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 27 to 58 were approved and authorised for issue by the Governors and are signed on their behalf, by:


.....
Mrs D Chandley
Chair of Governors

Date: 06.12.22

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

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	18	151,822	507,886
Cash flows from investing activities	19	16,711	(148,850)
Change in cash and cash equivalents in the year		168,533	359,036
Cash and cash equivalents at the beginning of the year		1,216,939	857,903
Cash and cash equivalents at the end of the year	20, 21	<u>1,385,472</u>	<u>1,216,939</u>

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

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

NORTHGATE SCHOOL ARTS COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **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.

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
Leasehold land	- straight line over the lease term
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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.12 Financial instruments

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

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

Cash at bank - is classified as a basic financial instrument and is measured at face value.

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

1.13 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.14 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 deficit are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 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 26.

1.16 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	5,324	71,027	-	76,351	83,639
Capital Grants	-	-	83,966	83,966	15,998
	<u>5,324</u>	<u>71,027</u>	<u>83,966</u>	<u>160,317</u>	<u>99,637</u>

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NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy Trust's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations			
DfE/ESFA grants			
General annual grant (GAG)	2,470,000	2,470,000	2,350,000
Other DfE/ESFA grants			
Other DfE/ESFA grants	78,482	78,482	62,728
Teachers pension grant	-	-	188,201
Teachers pay grant	-	-	67,387
Other income	25,923	25,923	908
Pupil premium	83,230	83,230	78,748
	<u>2,657,635</u>	<u>2,657,635</u>	<u>2,747,972</u>
Other Government grants			
Local authority grants	2,338,370	2,338,370	2,252,009
	<u>2,338,370</u>	<u>2,338,370</u>	<u>2,252,009</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	15,443	15,443	59,520
	<u>15,443</u>	<u>15,443</u>	<u>59,520</u>
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	-	29,670
Mass testing	28,069	28,069	52,670
	<u>28,069</u>	<u>28,069</u>	<u>82,340</u>
	<u>5,039,517</u>	<u>5,039,517</u>	<u>5,141,841</u>
	<u>5,039,517</u>	<u>5,039,517</u>	<u>5,141,841</u>

NORTHGATE SCHOOL ARTS COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	3,433	-	3,433	-
School uniform, staff vending machines and trip income	-	30,599	30,599	3,541
School meal recharge	-	25,039	25,039	-
Trading income	290,807	243	291,050	123,222
	<u>294,240</u>	<u>55,881</u>	<u>350,121</u>	<u>126,763</u>

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	<u>147</u>	<u>147</u>	<u>110</u>

NORTHGATE SCHOOL ARTS COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on raising voluntary income:					
Direct costs	-	-	-	-	13,584
Expenditure on fundraising trading activities:					
Direct costs	-	-	293,861	293,861	98,671
Educational operations:					
Direct costs	3,027,042	-	234,446	3,261,488	3,161,953
Allocated support costs	2,079,448	464,663	360,470	2,904,581	2,421,569
	<u>5,106,490</u>	<u>464,663</u>	<u>888,777</u>	<u>6,459,930</u>	<u>5,695,777</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	<u>3,261,488</u>	<u>2,904,581</u>	<u>6,166,069</u>	<u>5,583,522</u>

NORTHGATE SCHOOL ARTS COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
LGPS pension costs	83,000	83,000	56,000
Staff costs	2,079,448	2,079,448	1,641,173
Depreciation	160,980	160,980	266,857
Technology costs	66,943	66,943	65,365
Premises costs	277,325	277,325	192,356
Governance costs	76,179	76,179	62,873
Other support costs	160,706	160,706	136,945
	2,904,581	2,904,581	2,421,569

Net expenditure for the year includes:

	2022 £	2021 £
Operating lease rentals	54,001	7,012
Depreciation of tangible fixed assets	160,980	266,857
Fees paid to auditor for:		
- audit	6,500	6,500
- other services	5,300	5,300

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	3,341,442	3,254,119
Social security costs	293,611	274,347
Pension costs	1,457,413	1,119,090
	<u>5,092,466</u>	<u>4,647,556</u>
Staff restructuring costs	14,024	12,844
	<u>5,106,490</u>	<u>4,660,400</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	-	12,844
Severance payments	14,024	-
	<u>14,024</u>	<u>-</u>

Included within severance payments is 1 contractual payment of £14,024.

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	29	29
Administration and support	122	113
Management	5	6
	<u>156</u>	<u>148</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	-	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	1

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2022, pension contributions for these members of staff amounted to £62,734 (2021: £74,116).

d. 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 £511,008 (2021: £572,397).

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:

		2022 £	2021 £
Miss S Webb, Executive Head Teacher and Accounting Officer	Remuneration	105,000 - 110,000	100,000 - 105,000
	Pension contributions paid	25,000 - 30,000	20,000 - 25,000

During the year ended 31 August 2022, no Governor expenses have been incurred (2021 - £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 2022 was £281 (2021 - £281). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	6,109,371	122,616	249,131	108,622	6,589,740
Additions	-	35,792	34,321	-	70,113
Disposals	(48,206)	(37,135)	(75,826)	-	(161,167)
At 31 August 2022	6,061,165	121,273	207,626	108,622	6,498,686
Depreciation					
At 1 September 2021	1,545,816	96,363	231,967	92,062	1,966,208
Charge for the year	124,247	13,705	16,942	6,086	160,980
On disposals	(48,206)	(34,424)	(75,826)	-	(158,456)
At 31 August 2022	1,621,857	75,644	173,083	98,148	1,968,732
Net book value					
At 31 August 2022	4,439,308	45,629	34,543	10,474	4,529,954
At 31 August 2021	4,563,555	26,253	17,164	16,560	4,623,532

13. Stocks

	2022 £	2021 £
Finished goods and goods for resale	10,821	6,843

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. Debtors

	2022 £	2021 £
Trade debtors	13,442	6,423
Other debtors	9,118	7,127
Prepayments and accrued income	80,360	57,378
	<u>102,920</u>	<u>70,928</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	29,321	21,820
Other taxation and social security	142,409	64,813
Accruals and deferred income	73,937	14,281
	<u>245,667</u>	<u>100,914</u>

NORTHGATE SCHOOL ARTS COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General unrestricted fund	39,058	299,711	(295,697)	-	-	43,072
Restricted general funds						
General Annual Grant	540,172	2,470,000	(2,263,182)	(13,607)	-	733,383
Other DfE/ESFA	39,453	103,467	(133,337)	-	-	9,583
ESFA Pupil premium	-	83,230	(83,230)	-	-	-
Local authority grants	228,371	2,338,370	(2,452,324)	-	-	114,417
Miscellaneous restricted	28,193	79,054	(68,889)	-	-	38,358
Transfer from LA	225,657	-	-	-	-	225,657
Donations	71,125	55,384	(102,518)	-	-	23,991
Other restricted funds	21,767	33,932	(20,407)	-	-	35,292
Self-generating restricted	-	2,988	(2,988)	-	-	-
Pension reserve	(4,614,000)	-	(876,000)	-	5,069,000	(421,000)
	<u>(3,459,262)</u>	<u>5,166,425</u>	<u>(6,002,875)</u>	<u>(13,607)</u>	<u>5,069,000</u>	<u>759,681</u>

NORTHGATE SCHOOL ARTS COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Statement of funds (continued)

**Restricted fixed
asset funds**

DfE/ESFA capital grants	873,463	-	-	54,173	-	927,636
Capital expenditure from GAG	494,091	-	(161,358)	13,607	-	346,340
Transfer from LA	3,069,553	-	-	-	-	3,069,553
Devolved formula capital	36,843	-	-	-	-	36,843
Capital expenditure non GAG	146,743	-	-	-	-	146,743
Capital expenditure from LA grants	2,839	-	-	-	-	2,839
DfE Group Capital Grant Unspent	-	83,966	-	(54,173)	-	29,793
	<u>4,623,532</u>	<u>83,966</u>	<u>(161,358)</u>	<u>13,607</u>	<u>-</u>	<u>4,559,747</u>
Total Restricted funds	1,164,270	5,250,391	(6,164,233)	-	5,069,000	5,319,428
Total funds	1,203,328	5,550,102	(6,459,930)	-	5,069,000	5,362,500

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

Restricted fixed asset funds amounting to £4,559,747 (2021: £4,623,532) will be reserved against future depreciation charges.

Restricted funds amounting to £13,607 (2021: £nil) were transferred 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 2022.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General unrestricted fund	62,471	125,195	(102,863)	(45,745)	-	39,058
Restricted general funds						
General Annual Grant	329,087	2,350,000	(2,096,269)	(42,646)	-	540,172
Other DfE/ESFA	17,985	130,764	(109,296)	-	-	39,453
ESFA Pupil premium	-	78,748	(78,748)	-	-	-
Local authority grants	110,913	2,126,394	(2,008,936)	-	-	228,371
Miscellaneous restricted	26,534	109,799	(47,571)	(60,569)	-	28,193
Transfer from LA	225,657	-	-	-	-	225,657
Donations	71,125	1,074	(1,074)	-	-	71,125
Other restricted funds	14,551	19,506	(12,290)	-	-	21,767
COVID catch-up premium	-	125,615	(125,615)	-	-	-
JRS Income	-	29,670	(29,670)	-	-	-
Teachers pension grant	-	188,201	(188,201)	-	-	-
Teachers pay grant	-	67,387	(67,387)	-	-	-
Pension reserve	(3,032,000)	-	(561,000)	-	(1,021,000)	(4,614,000)
	<u>(2,236,148)</u>	<u>5,227,158</u>	<u>(5,326,057)</u>	<u>(103,215)</u>	<u>(1,021,000)</u>	<u>(3,459,262)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

**Restricted fixed
asset funds**

DfE/ESFA capital grants	927,752	-	(54,289)	-	-	873,463
Capital expenditure from GAG	462,443	-	(26,996)	58,644	-	494,091
Transfer from LA	3,252,617	-	(183,064)	-	-	3,069,553
Devolved formula capital	36,843	-	-	-	-	36,843
Capital expenditure non GAG	42,768	-	(2,339)	106,314	-	146,743
Capital expenditure from LA grants	3,008	-	(169)	-	-	2,839
DfE Group Capital Grant Unspent	-	15,998	-	(15,998)	-	-
	<u>4,725,431</u>	<u>15,998</u>	<u>(266,857)</u>	<u>148,960</u>	<u>-</u>	<u>4,623,532</u>
Total Restricted funds	2,489,283	5,243,156	(5,592,914)	45,745	(1,021,000)	1,164,270
Total funds	2,551,754	5,368,351	(5,695,777)	-	(1,021,000)	1,203,328

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	4,529,954	4,529,954
Current assets	43,072	1,426,348	29,793	1,499,213
Creditors due within one year	-	(245,667)	-	(245,667)
Provisions for liabilities and charges	-	(421,000)	-	(421,000)
Total	43,072	759,681	4,559,747	5,362,500

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	4,623,532	4,623,532
Current assets	60,949	1,233,761	-	1,294,710
Creditors due within one year	(21,891)	(79,023)	-	(100,914)
Provisions for liabilities and charges	-	(4,614,000)	-	(4,614,000)
Total	39,058	(3,459,262)	4,623,532	1,203,328

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(909,828)	(327,426)
Adjustments for:		
Depreciation	160,980	266,857
Capital grants from DfE and other capital income	(83,966)	(15,998)
Interest receivable	(147)	(110)
Defined benefit pension scheme cost less contributions payable	793,000	505,000
Defined benefit pension scheme finance cost	83,000	56,000
Increase in stocks	(3,978)	(4,873)
(Increase)/decrease in debtors	(29,414)	42,204
Increase/(decrease) in creditors	142,175	(13,768)
Net cash provided by operating activities	151,822	507,886

19. Cash flows from investing activities

	2022 £	2021 £
Interest receivable	147	110
Purchase of tangible fixed assets	(70,113)	(164,958)
Proceeds from the sale of tangible fixed assets	2,711	-
Capital grants from DfE Group	83,966	15,998
Net cash provided by/(used in) investing activities	16,711	(148,850)

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,385,472	1,216,939
Total cash and cash equivalents	1,385,472	1,216,939

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21. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,216,939	168,533	1,385,472
	<u>1,216,939</u>	<u>168,533</u>	<u>1,385,472</u>

22. 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 2019.

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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22. 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 £319,413 (2021 - £289,090).

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 2022 was £451,000 (2021 - £424,000), of which employer's contributions totalled £345,000 (2021 - £325,000) and employees' contributions totalled £ 106,000 (2021 - £99,000). The agreed contribution rates for future years are 17.6% per cent for employers and 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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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22. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.25	1.65
Expected return on scheme assets at 31 August	4.25	1.65
Discount rate for scheme liabilities	3.55	3.40
Inflation assumption (CPI)	3.05	2.90
Commutation of pensions to lump sums	50.00	50.00

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

	2022	2021
	Years	Years
Retiring today		
Males	21.7	21.7
Females	24.4	24.1
Retiring in 20 years		
Males	22.8	22.8
Females	25.8	25.8

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	156	272
Discount rate -0.1%	(156)	(272)
Mortality assumption - 1 year increase	232	298
Mortality assumption - 1 year decrease	(232)	(298)
CPI rate +0.1%	153	260
CPI rate -0.1%	(153)	(260)

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22. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	3,713,000	3,572,000
Corporate bonds	861,000	1,066,000
Property	753,000	640,000
Cash and other liquid assets	54,000	53,000
Total market value of assets	5,381,000	5,331,000

The actual return on scheme assets was £(360,000) (2021 - £848,000).

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

	2022 £	2021 £
Current service cost	(1,138)	(815,000)
Past service cost	-	(15,000)
Interest income	91,000	73,000
Interest cost	(174,000)	(129,000)
Total amount recognised in the Statement of Financial Activities	(84,138)	(886,000)

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

	2022 £	2021 £
At 1 September	9,945,000	7,126,000
Interest cost	174,000	129,000
Employee contributions	106,000	99,000
Actuarial (gains)/losses	(5,520,000)	1,796,000
Benefits paid	(41,000)	(35,000)
Past service costs	-	15,000
Current service cost	1,138,000	815,000
At 31 August	5,802,000	9,945,000

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22. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	5,331,000	4,094,000
Interest income	91,000	73,000
Actuarial (losses)/gains	(451,000)	775,000
Employer contributions	345,000	325,000
Employee contributions	106,000	99,000
Benefits paid	(41,000)	(35,000)
At 31 August	<u>5,381,000</u>	<u>5,331,000</u>

The amounts recognised in the Balance Sheet are as follows:

	2022 £	2021 £
Closing defined benefit obligation	(5,802,000)	(9,945,000)
Closing fair value of scheme assets	5,381,000	5,331,000
	<u>(421,000)</u>	<u>(4,614,000)</u>

Total remeasurements recognised in Other Comprehensive Income:

	2022 £	2021 £
Changes in financial assumptions	5,510,000	(1,777,000)
Changes in demographic assumptions	30,000	(142,000)
Other remeasurements	(471,000)	898,000
	<u>5,069,000</u>	<u>(1,021,000)</u>

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23. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	54,001	54,001
Later than 1 year and not later than 5 years	150,000	120,000
Later than 5 years	-	30,000
	<u>204,001</u>	<u>204,001</u>

24. Members' liability

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

25. Related party transactions

Owing to the nature of the Academy Trust 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 Academy Trust 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 2022 there were purchases from EMPSN Group PLC for £7,152 (2021: £7,452) 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 (2021: £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 £Nil (2021: £116). There were no amounts outstanding at the year end (2021: £Nil).

26. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the Academy Trust received £7,200 (2021: £1,716) and disbursed £7,200 (2021 - £1,716) from the fund. An amount of £Nil (2021: £nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.