

NORTHERN HOUSE SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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NORTHERN HOUSE SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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NORTHERN HOUSE SCHOOL ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mary Whitlock (Appointed 07/06/2018)
William Powlett Smith
Kevin Thompson
Jon Rayman

Trustees / Directors

William Powlett Smith	Chair
Jean Carr	Vice Chair
David Ian Barker	CEO
Jon Rayman	Chair of Educational Standards and Performance Committee
Seonaid Danziger	
Kevin Thompson	Chair of Finance & Estates Committee
Phil Leivers	
Marshall Young	
Marion Cox	(appointed 29/06/2018)
Jane Edgerton	(appointed 07/06/2018)
Stephen Dance	(appointed 06/12/2018)
Martin Wilkinson	(appointed 06/12/2018)

Senior Management Team

David Ian Barker	Chief Executive Officer (CEO; Accounting Officer until 30/09/2017 and from 01/09/2018)
Gareth Preen	Chief Operating Officer (COO; Accounting Officer from 01/10/2017 until 30/04/2018)
Trevor Scott	Head Teacher (Solihull). Acting CEO from 01/04/2018 and Accounting Officer from 01/05/2018 until 31/08/2018)
Jonathan Willis	Head Teacher (Oxford)
Chris White	Head Teacher (Solihull) (01/05/2018 to 31/08/2018)
Fran Pass	Head Teacher (Wokingham) (left 31/08/2018)
Beverley Gates	Head Teacher (Wokingham) (appointed 01/09/2018)
Adam Price	Executive Headteacher (PRU and City of Wolverhampton)

Company Name

Northern House School Academy Trust

Principal and Registered Office

Northern House School, South Parade, Summertown, Oxford, OX2 7JN

Central Trading Address

Northern House School (Central Team), Valley Park Campus, Cromer Gardens, Wolverhampton, WV6 0UB

Company registered number

08140768 (England & Wales)

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds TSB, PO Box 1000, BX1 1LT

Solicitors

Blake Morgan, West Way, Oxford, OX2 0FB

Responsible Officer / Assurance Officer

School Financial Services, 1 Providence Place, West Bromwich, B70 9LD

HR Legal Advisors

Ellis Whittam, Woodhouse, Church Ln, Aldford, Chester CH3 6JD

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees of Northern House School Academy Trust ("the Trust" or "the Company") present their annual report together with the audited financial statements of the Company for the year from 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates five special academies in England:

- Northern House School (Oxford);
- Northern House School (Solihull);
- Northern House School (City of Wolverhampton),
- Northern House School (Wokingham);
- Northern House School (City of Wolverhampton) Primary Pupil Referral Unit

These academies have a combined pupil capacity of around 420 places which are mainly commissioned through the respective local authority. There are clear pressures on capacity and places, as demonstrated by ever increasing out of borough demand for places.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Company's memorandum and articles of association ("the Articles") are the primary governing documents of the Trust.

The Trustees of the Trust are also the Directors of the Company for the purposes of company law

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 pages 1 and 2

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. The insurance is purchased through the government's RPA (Risk Protection Arrangement) scheme.

Trustee Board committees

Trustees have established two separate committees, the Finance and Estates Committee and Education Standards Performance Committee. *Kevin Thompson chairs the Finance and Estates Committee, with Jon Rayman chairing the Education Standards Performance Committee.*

The Education Standards Performance Committee was established during the year ending 31st August 2018.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in accordance with the Articles and are subject to retirement after four years. They are, however, eligible for re-appointment at the meeting at which they retire, with the exception of the Accounting Officer whose appointment is contractual.

Trade union facility time

None

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience and where necessary induction will provide training on charity, education, legal and financial matters. All Trustees of the Trust are provided with access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their roles as Trustees. The Trust will also perform an annual skills audit of Trustees. Where any gaps are identified, these are taken into account in trustee recruitment and training courses may be offered to address these issues.

Organisational Structure

Working closely with the Accounting Officer, the Trustees are responsible for:

- establishing the Trust's strategies;
- maintaining the overall framework of policies and procedures within which the Trust operates;
- monitoring all aspects of the Trust's performance.

In other words, the Trustees help the Trust maintain a long term focus whilst challenging and supporting the Accounting Officer and the Local Governing Bodies of the Trust's Academies on their shorter term goals and plans.

The day-to-day management of the individual academies is the responsibility of the individual school Headteachers and his/her Senior Management Team.

The Local Governing Bodies ("LGBs") support and challenge the respective Headteachers in order to drive improvements and achieve various local key performance targets

The individual schools are supported by a Central Support Function. Areas of support include Finance, HR, Estate Management, ICT, School Improvement and Governance.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel have their pay and remuneration set as follows:

- CEO through appraisals by the MAT Board;
- COO through appraisals by the CEO;
- Headteachers through appraisals led by the CEO, supported by the Local Governing Body of each school.

No Trustee or Director, with the exception of the CEO, receives pay or remuneration other than reimbursement of reasonable expenses.

Related Parties and other Connected Charities and Organisations

On 1 January 2017 Northern House School Academy Trust opened the 'DEN' Project (Didcot Early Nurture Base known as the DEN). This is a partnership between Willowcroft Community School (where the project is hosted) and Northern House School (Oxford), which manages and governs the project.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust currently offers places to primary and secondary school aged children who have found maintaining a place in a mainstream school difficult. This breakdown usually occurs because the referring mainstream school finds that the child's behavioural difficulties are incompatible with the education of others on its roll

The Academy's aim is to ensure that these children receive a broad and balanced education, making up lost academic ground to the extent that each child is able. When appropriate, the Trust works with mainstream schools to arrange gradual re-integration of its pupils, though in many cases the pathway through special education settings continues for many years

Objectives, Strategies and Activities

The Trust's objectives, strategies and activities are summarised as follows:

- **Education:**
 - to advance the education of the pupils, to advance the education of the community and to otherwise benefit the community as per the articles of association;
 - to raise standards for all children by improving the quality of teaching and learning;
 - to ensure Senior Leaders strengthen their strategic role in order to raise standards;
 - develop successful strategies for engaging and communicating with parents and the community;
 - to strengthen further the effectiveness of the LGBs to support and challenge the schools and fulfil their statutory duties;
 - to maintain a safe environment for pupils through safeguarding practices and meeting health and safety requirements;
 - to ensure that class-based teachers visit mainstream schools to see outstanding mainstream practice in action so that curriculum delivery in each Academy takes informed account of current mainstream practices, so assisting successful re-integration of its pupils;
 - to ensure that pupils are given many opportunities to learn alongside their mainstream peers through activities such as clubs, sports, musical performances, cultural events, trips and residential visits, while prioritising in school the importance of English and Maths within the context of a differentiated, engaging curriculum;
 - to teach fundamental British values in the Trust's schools. The Trust espouses these values and actively promotes the concepts of justice, equality, fairness and respect for differences - whether they be differences of race, religion, gender, age or sexual orientation.
- **Trust management and strategy:**
 - to show evidence of high performing and consistent leadership and management throughout the Trust;
 - to identify other schools seeking sponsorship and proactively work with the DfE in offering sponsorship to suitable schools;
 - to ensure the CEO and COO are available to provide support, coaching and mentoring to the Trust's Academies, staff and governing bodies.
- **Employees:**
 - to ensure, through appropriate wellbeing and risk management techniques, that the safety and welfare of staff are paramount, fulfilling duty of care responsibilities of the Trustees and enabling staff to feel able and confident enough to provide an outstanding teaching and learning environment;
 - to develop and improve terms and conditions of employees as far as possible and feasible;
 - to provide comprehensive CPD for all staff in order for them to meet their objectives and fulfil their responsibilities.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Public Benefit

The Trust has various letting schemes in place to allow appropriate community groups to access its facilities.

The Trust has run successful parenting groups as well as supporting schemes for disadvantaged children throughout the year. Northern House School (Solihull) and Northern House School (City of Wolverhampton) have certain facilities which are available for hire by local organisations

The Trust has conducted a number of workshops on site during school hours for professionals in order to demonstrate best practice when seeking to meet the needs of pupils with profound and complex Social, Emotional and Mental Health (SEMH) needs. Other than Northern House School (PRU), all pupils on roll should have an Education and Health Care Plan.

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

STRATEGIC REPORT

Achievements and Performance

- Northern House School (Oxford):
 - Improved SATS and phonics screening check results
 - Invitation to take part in a concert at the Royal Albert Hall following a successful arts project that received an award for the most inclusive music initiative in the county
 - Forged stronger links with St Edward's school that led to the pupils being invited to watch the England rugby team train and an RAF helicopter land on their school grounds
 - Safer site with various changes to the room designations
 - Receipt of two Condition Improvement Fund (CIF) Grants resulting in the rewiring of the main school building and its reroofing
 - A greater number of volunteers helping in and around school – this has led to the school establishing a working library where books are displayed and borrowed
- Northern House School (Solihull) has:
 - supported the acting up arrangements of the Trust during the temporary appointment of the school's Headteacher as Acting CEO;
 - received financial support enabling a number of the school's pupils to make a successful week long residential expedition to the Isle of Tiree;
 - continued to reduce damage compared to pre-academy days, demonstrating the positive influence the Trust has made on improvements in behaviour;
 - seconded a member of staff to Oxford in order to support the school during the temporary absence of the Headteacher;
 - supported the management review of Northern House School (City of Wolverhampton);
 - continued to increase student capacity, demonstrating the Local Authority's faith and confidence in the school.
- Northern House School (City of Wolverhampton):
 - received CIF Grants for safeguarding and re-roofing works, with works successfully completed;
 - developed the senior leadership team;
 - improved levels of onsite therapeutic provision, including an onsite animal management and care provision. These provisions assist with the prevention of permanent exclusions;
 - through trust support, officers and directors, as well as school initiatives, significantly increased pupil numbers (73 pupils 1st September 2017 compared to 104 on roll September 2018).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and Performance (continued)

- Northern House School (PRU).
 - achieved Gold Standard in School Games, a national accreditation;
 - 72% of pupils now achieve accelerated or better progress, in phonics and reading. Pupils achieved 6 sub stages of progress across an academic year (mainstream pupils are expected to achieve 4 sub stages),
 - following withdrawal of Local Authority Transport Provision continued to manage own-funded transport provision, maximising pupil attendance,
 - continued to attract high numbers of volunteers;
 - reduced pupil physical incidents and improved pupil attendance;
 - received CIF Grant and successfully completed site-wide rewire.
- Northern House School (Wokingham):
 - Ofsted confirmed the re-designation of the residential provision, although no residents are yet being accommodated
 - appointed a new highly experienced Headteacher;
 - established a new internal unit in order to reduce exclusions;
 - established improvements to various therapeutic provisions;
 - completed improvements in relation to the estate, including overcoming a range of Health & Safety issues.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- Trust and Central Team:
 - principally with internal resources, successfully managed the temporary absence of the CEO;
 - completed, at minimum, at least 3 dedicated school improvement visits per school (majority of schools receiving more than this);
 - succeeded with five out of six CIF grants applied for during the year, immediately supporting the improvement of 3 of our schools);
 - recovered all significant outstanding debts through effective debt management, so ensuring all schools received monies owed;
 - achieved efficiencies in administration by standardising policies, templates and forms as far as possible across all of the schools;
 - improved the levels of assurance testing at school levels, which not only provides increased assurance to the Directors of the Trust, but also demonstrates significant levels of coaching and mentoring to the School Business Managers;
 - continued to provide timely and professional support to all schools, including: ICT Project Management; Premises Project Management; HR management on significant issues,
 - project managed various large projects, including rewiring works (Oxford & Wolverhampton), reroofing (Oxford & Wolverhampton), Safeguarding Works (Wolverhampton), Telephone System (Oxford),
 - supported all schools in negotiations with the Local Authority in terms of commissioned places;
 - completed insurance claims on a timely basis,
 - maintained all school websites, keeping information and data up to date in a timely manner, so enabling parents and interested parties to stay informed,
 - continued to actively support and challenge schools in order to ensure continued achievements and progress.

Key Financial Performance Indicators

Key Financial Performance Indicators include:

- cash reserves maintained to fund one month's projected expenditure;
- continual improvement in Ofsted ratings;
- all resources expended or planned, to facilitate continual strategic and operational review.

Going Concern

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW

The financial statements have been prepared in accordance with current statutory requirements.

Most of the Trust's income in the financial year ended 31 August 2018 was obtained from the ESFA and the respective Local Authorities for commissioned places. This is expected to continue to be the case.

The Trust has also received DfE pupil premium awards based on the number of children on the schools' rolls entitled to free school meals.

All these are reflected in the accounts as part of 'restricted income' as per the guidance found in the Academies Financial Handbook 2017.

The Trust has generated a small sum of unrestricted income and recognises the need to develop this in the future with the main intention to support improvement in pupil outcomes.

Reserves Policy

The Trustees have continued their prudent approach to financial planning, given the uncertainty surrounding funding in the immediate future, specifically around the National Funding Formula and pressure on Local Authority Funding, which directly impacts upon the Trust because all the Trust's schools' places are commissioned.

The Trust is currently carrying forward a surplus that would cover more than one month's expected expenditure. This will act as a cushion against any unexpected falls in income and protect the Trust against any cash flow difficulties that may arise from delays in payment of due funds.

Furthermore, the Trustees have looked to increase reserves during the past year in order to provide a cushion over the next few years during anticipated times of funding standstill in the DfE's pre-16 High Needs Places budget.

The Trustees operate to a three year budget planning cycle, taking any corrective action needed where financial sustainability may cause concern.

At 31 August 2018 the total funds comprised:

Unrestricted		506,386
Restricted:	Fixed asset funds	22,344,140
	Pension reserve	(4,248,000)
	Other	1,244,043
		<u>£19,846,569</u>

The deficit on the pension reserve related to the Local Government Pension Scheme for non-teaching staff assets are held to fund future liabilities as discussed in note 25. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Investment Policy

Funds are currently held in low interest bank accounts. There are no immediate plans for any significant investments

Principal Risks and Uncertainties

The principal risks facing the Trust are:

- reputational risk – mitigated by consistent adherence to sound policies and procedures, surrounding pupil behaviour, staff management, safety and academic performance;
- performance risk – mitigated by careful target setting, close monitoring of progress and intervention strategies;
- financial risk – the principal financial risks are:
 - a reduction in pupil numbers and the rates paid per top-up place;
 - a reduction in planned places and the amount paid by the ESFA per planned place;
 - unbudgeted increase in teaching or support staff costs;
 - exposure to unfunded pay increases;
 - unbudgeted major capital repairs;
 - uncertainty in respect of the PFI at Northern House School (Solihull) and its financial impact.

The risks presented here are mitigated by prudent budgeting, three year financial planning, receipt of external accounting support (i.e. external tax advice), maintenance plans, budget monitoring and timely remedial action.

Risks associated with planned places and council decisions are mitigated by regular dialogue and schools ensuring they are enrolling, subject to admissions criteria, pupils where space allows.

- personnel risks – mitigated by sound performance management processes, absence management systems, comprehensive policies and procedures to cover potential problem areas, support sought from specialised external sources and keeping abreast of national issues regarding staff (both within the educational sector and external to it).
- political risks – such as those surrounding change in government or change in priority, both at a local and national level. With a high dependency on local authority support risks are mitigated by continuous dialogue with local authorities and monitoring of their pressures

The Trust practises risk management principles through its Board, its governing bodies and the constituted subcommittees. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reviewed until the risk is adequately mitigated

The Board and the Trust's governing bodies accept management of risk as an inevitable part of their operations but seek to avoid unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board, whilst minor risks are dealt with by local governing bodies and senior officers.

FUNDRAISING

In order to serve the pupils of the Academy Trust the Academy Trust will seek suitable opportunities to raise additional funds to support developments in facilities, equipment and services in order to compliment the services already provided.

Such fundraising practices fall within the normal day to day duties of staff and involve approved bodies such as ESFA.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

PLANS FOR FUTURE PERIODS

The Trust is seeking to expand its provision appropriately. The Board is currently considering its development strategy and options.

Other medium to longer term objectives will include:

- maintaining a financial surplus and continuing as a going concern;
- continuing to improve educational standards;
- supporting other schools that require assistance;
- minimising exposure of the Trust to risks and where not fully practicable mitigating such risks through appropriate measures.

The Trustees' experience over several recent conversions is that each Local Authority operates in a different manner that can at time put pressure on resources, both during and after conversion. Therefore, the Trust places strong emphasis on due diligence and seeking to build mutually beneficial and supportive relationships with Local Authorities. In addition to this, despite the Trust undertaking pre-acquisition surveys of each site prior to taking on new schools, experience has shown that despite measures to mitigate risks, unforeseen events will occur for reasons outside the Trust's control.

The Trustees have also identified that the very nature of the Trust, its expansion and development plan mean that the schools it or the DfE identifies as likely to benefit most from value added by the Trust's skills and experience will be widely dispersed geographically. Therefore, the Trust needs to be flexible in the development of its organisational structures and the responsibilities and travel expectations of its leadership team members, so that the support they offer to the schools is undertaken successfully.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

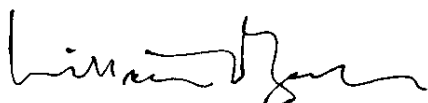
No funds are held on behalf of others.

AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 6 December 2018 and signed on the Board's behalf by'



William Powlett Smith
Chair of Trustees

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

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

The Trustees have delegated to the Accounting Officer the day-to-day responsibility for ensuring that 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 Northern House School Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

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

Attendance: 01/09/2017 – 31/08/2018

	15/09/17	16/09/17	23/09/17	28/09/17	18/10/17	17/11/17	07/12/17	06/02/18	08/03/18	07/06/18	26/07/18	30/08/18
William Powlett Smith	P	P	P	P	P	P	P	P	P	P	P	P
Jean Carr	P	P	P	P	P	A	P	P	P	P	P	P
Jon Rayman	P	P	P	P	P	P	P	P	P	P	P	P
Kevin Thompson	P	P	P	P	P	P	P	P	P	P	P	A
Seonaid Danziger	P	P	P	P	P	P	P	P	A	P	P	P
Ian Barker	A	A	A	A	A	P	A	A	A	A	A	P
Phil Leivers	P	P	P	P	P	A	A	P	P	P	P	P
Marshall Young	P	P	P	P	P	P	P	P	P	P	P	P

P = Present A = Absent (apologies received and accepted)

The Board regularly receives a variety of reports from the CEO, COO, and Local Governing Bodies. Such data are scrutinised in advance, either by Trustees, the Local Governing Bodies, or the Finance and Estates Committee.

In addition to this, reports, such as Assurance Officer Reports, which are scrutinised by the Finance and Estates Committee, ensure assurance work complete by the Central Team is satisfactory.

The Education Standards and Performance Committee will receive regular reports from the CEO, supported by external consultants as and when required.

The Trustees regularly self review, undertaking self assessments and skills audits in order to ensure the Trust's own effectiveness.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

GOVERNANCE (continued)

Finance and Estates Meeting Summary

The Finance and Estates Committee is a sub-committee of the main Board of Trustees. Its purpose is to agree the staffing structure for the year, agree the financial plans and associated budgets, review risk, review Assurance Officer reports, monitor the Trust's accounts, including the work of the CEO and COO, and keep the main Board of Trustees properly informed of the Trust's financial position.

Attendance of Directors: 01/09/2017 – 31/08/2018

Finance & Estates	09/06/17	17/11/17	07/12/17	22/02/18	15/05/18*	26/06/18
Ian Barker	P	A	A	A	A	A
Kevin Thompson	P	P	P	P	P	P
William Powlett Smith	P	P	P	P	P	P
Jean Carr	P	A	P	P	A	P
Marshall Young	P	P	P	P	A	P

*meeting was not quorate at time, however, decision were confirmed by email with all relevant directors.

P = Present A = Absent (apologies received and accepted)

Education Standards and Performance Committee

The Education Standards and Performance Committee has met on the one occasion, developing its terms of reference and reporting requirements. During the year ending August 2019 the committee will report to the Directors of the Trust.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer has delivered improved value for money during the year as follows

- Central Team avoided use of external consultants in order to backfill substantive Financial Controller and Chief Operations Officer when covering Accounting Officer position
- centralising all receivables and payables functions;
- Central Team ensured all debts owed were chased. This resulted in bad debts being paid;
- shared staff and practices in order to improve performance and develop synergies. Such as Northern House School (Solihull), Northern House School (City of Wolverhampton) and Northern House School (PR) sharing an experienced Music Teacher;
- outsourcing ICT support to local companies, utilising benchmarking to ensure companies are competitive and offer good services, whilst maintaining close community links;
- benchmarking other bought in services, such as supply cover, in order to deliver improved services at value for money;
- extensive challenging of supply staff suppliers, not only to ensure value for money is being achieved, but also to ensure all checks are being completed, so safeguarding pupils;
- utilising independent consultants, builders and architects on an *ad hoc* basis in order to clarify issues in relation to building maintenance and prior to moving forward on a number of projects;
- developing pro-active relationships with commissioners and suppliers, in order to promote frank and open dialogue in the best interests of the pupils;
- challenging schools on the number of teaching contact hours, ensuring teachers are teaching the maximum number of hours;
- reviewing various positions and completing local restructures in order to offer efficiencies;
- investing in ICT across each academy in order to reduce downtime and improve teaching and learning;
- maintaining staff benefits, supporting staff attendance and retention, so saving on recruitment costs, supply cover, loss of training already invested and ensuring continuity for our pupils.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Northern House School Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of its annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the Trustees' Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed School Financial Services, 1 Providence Place, West Bromwich, B70 9LD, to take on the role of Assurance Officer.

The Assurance Officer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, the Assurance Officer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

THE RISK AND CONTROL FRAMEWORK (continued)

The Assurance Officer has discharged these duties and no significant issues were identified

In response to continuing pressures on expenditure and decreasing levels of income the Trustees have taken a prudent approach to allocate appropriate funds to mitigate against risks associated with unknown estates costs.

During the current period the Trust also undertook a full review of all staff files and single central records in order to ensure all pupils were safeguarded.

The Trust also undertakes termly School Business Manager visits, in order to review and offer support on a number of areas and performance, including Finance, HR, Estates, ICT and Data Management.

REVIEW OF EFFECTIVENESS

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 6 December 2018 and signed on its behalf by:



William Powlett Smith
Chair of Trustees



Ian Barker
Accounting Officer

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018

As Accounting Officer of Northern House School Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies' Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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.



Ian Barker
Accounting Officer

6 December 2018

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2018 and signed on its behalf by:



.....
William Powlett Smith
Chair of Trustees

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHERN HOUSE SCHOOL ACADEMY TRUST**

OPINION

We have audited the financial statements of Northern House School Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHERN HOUSE SCHOOL ACADEMY TRUST**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report including the Strategic 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 Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHERN HOUSE SCHOOL ACADEMY TRUST**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: *21 December 2018*

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NORTHERN HOUSE SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northern House School Academy Trust during the year 1 September 2017 to 31 August 2018 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 Northern House School Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Northern House School Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Northern House School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF NORTHERN HOUSE SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Northern House School Academy Trust's funding agreement with the Secretary of State for Education dated 01 September 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NORTHERN HOUSE SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 21 December 2018

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	<i>As restated Total funds 2017 £</i>
	Note					
INCOME FROM:						
Donations & capital grants						
Academy transfer	2	-	-	-	-	3,013,161
Other donations and capital grants	2	-	-	759,428	759,428	35,872
Charitable activities	5	-	9,621,946	-	9,621,946	9,423,644
Other trading activities	3	307,645	-	-	307,645	168,858
Investments	4	1,407	-	-	1,407	1,301
TOTAL INCOME		309,052	9,621,946	759,428	10,690,426	12,642,836
EXPENDITURE ON:						
Charitable activities	8	64,000	10,904,573	435,787	11,404,360	9,798,638
TOTAL EXPENDITURE	6	64,000	10,904,573	435,787	11,404,360	9,798,638
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	20	245,052	(1,282,627)	323,641	(713,934)	2,844,198
		-	665,068	(665,068)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		245,052	(617,559)	(341,427)	(713,934)	2,844,198
Actuarial gains on defined benefit pension schemes	25	-	968,000	-	968,000	625,000
NET MOVEMENT IN FUNDS		245,052	350,441	(341,427)	254,066	3,469,198
RECONCILIATION OF FUNDS:						
Total funds brought forward	20	261,334	(3,354,398)	22,685,567	19,592,503	16,123,305
TOTAL FUNDS CARRIED FORWARD		506,386	(3,003,957)	22,344,140	19,846,569	19,592,503

The notes on pages 28 to 58 form part of these financial statements.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08140768

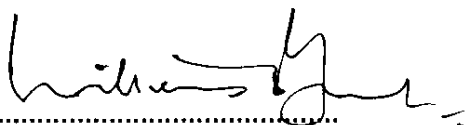
BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	As restated 2017 £
FIXED ASSETS					
Tangible assets	14		22,344,140		22,685,567
CURRENT ASSETS					
Stocks	15	8,741		8,741	
Debtors	16	457,977		198,118	
Cash at bank and in hand		2,636,868		2,542,293	
			3,103,586	2,749,152	
CREDITORS: amounts falling due within one year	17	(1,329,000)		(1,135,216)	
NET CURRENT ASSETS			1,774,586		1,613,936
TOTAL ASSETS LESS CURRENT LIABILITIES			24,118,726		24,299,503
CREDITORS: amounts falling due after more than one year	18		(24,157)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			24,094,569		24,299,503
Defined benefit pension scheme liability	25		(4,248,000)		(4,707,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			19,846,569		19,592,503
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	20	1,244,043		1,352,602	
Restricted fixed asset funds	20	22,344,140		22,685,567	
Restricted income funds excluding pension liability		23,588,183		24,038,169	
Pension reserve	20	(4,248,000)		(4,707,000)	
Total restricted income funds			19,340,183		19,331,169
Unrestricted income funds	20		506,386		261,334
TOTAL FUNDS			19,846,569		19,592,503

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 24 to 58 were approved by the Trustees, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:



William Powlett Smith
Chair of Trustees

The notes on pages 28 to 58 form part of these financial statements.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

		2018	<i>As restated</i>
	Note	£	2017
			£
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(571,900)	754,184
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,407	1,301
Purchase of tangible fixed assets		(94,360)	(284,392)
Capital grants from DfE Group		759,428	30,091
Net cash provided by/(used in) investing activities		666,475	(253,000)
Change in cash and cash equivalents in the year		94,575	501,184
Cash and cash equivalents brought forward		2,542,293	2,041,109
Cash and cash equivalents carried forward	23	2,636,868	2,542,293

The notes on pages 28 to 58 form part of these financial statements.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Fund accounting

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

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

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

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

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

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

All expenditure is inclusive of irrecoverable VAT.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements. The Trustees are, however, aware that each of the Trust's schools is reliant, under current funding agreements, upon each Local Authority being able to honour its commitments to the places planned and commissioned in each academic year. Where the number of places is under review, the Trust is in negotiation with various Local Authorities to minimise the impact of funding uncertainty, the effect of which could jeopardise the Trust's ability to remain as a going concern in future years.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is not charged on long term leasehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% per annum on cost of buildings only
Equipment	-	20% per annum on cost
Motor vehicles	-	25% per annum on cost
Computer equipment	-	33% per annum on cost

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

1.7 Operating leases

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

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.8 Stocks of uniforms

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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

1.10 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.11 Cash at bank and in hand

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

1.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

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.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.14 Pensions

Retirement benefits to employees of the 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. As stated in note 25, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.15 PFI contract

The buildings used by Northern House Solihull were constructed under a Private Finance Initiative (PFI) Contract between the Metropolitan Borough of Solihull and a private contractor. The project was completed prior to the school's conversion to academy status. On conversion, the Academy Trust has entered into a Schools Agreement with the Local Authority which transferred the Local Authority's main obligations under the PFI Contract to the Academy Trust. The PFI Contract is due to end on 21 July 2035.

PFI Contract payments

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

Land and buildings

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

Other assets

Other assets under the PFI Contract, for example fixtures and fittings, transfer to the Local Authority at the end of the PFI Contract and then to the Academy Trust under the Schools Agreement. The basis of the Schools Agreement is that at the point of transfer, the assets will be "as new".

As the Academy Trust does not take on significant risk in respect of these assets during the PFI Contract term these assets are not recorded in the Balance Sheet until the replacement assets are transferred to the Academy Trust by the Local Authority at the end of the PFI Contract.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.16 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
Academy transfer	-	-	-	-	3,013,161
Transfer on conversion	-	-	-	-	3,013,161
Donations	-	-	-	-	5,781
Capital grants	-	-	759,428	759,428	30,091
Subtotal	-	-	759,428	759,428	35,872
	-	-	759,428	759,428	3,049,033
<i>Total 2017</i>	-	5,781	3,043,252	3,049,033	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	15,655	-	15,655	4,729
Insurance reimbursement	-	-	-	22,544
Consultancy and training courses	80,000	-	80,000	104,717
Other income	211,990	-	211,990	36,868
	307,645	-	307,645	168,858
<i>Total 2017</i>	168,858	-	168,858	

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	1,407	-	1,407	1,301
<i>Total 2017</i>	1,301	-	1,301	

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,714,912	3,714,912	4,044,023
Pupil premium	-	236,314	236,314	224,468
Other DfE/ESFA income	-	81,615	81,615	140,914
	-	4,032,841	4,032,841	4,409,405
Other government grants				
Top up funding	-	5,589,105	5,589,105	5,014,239
	-	5,589,105	5,589,105	5,014,239
	-	9,621,946	9,621,946	9,423,644
<i>Total 2017</i>	-	9,423,644	9,423,644	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

6. EXPENDITURE

	Staff costs	Premises	Other costs	Total	<i>As restated</i>
	2018	2018	2018	2018	<i>Total</i>
	£	£	£	£	<i>2017</i>
					£
Academy's educational operations:					
Direct costs	5,965,516	-	1,288,897	7,254,413	6,863,059
Support costs	1,577,650	1,517,644	1,054,653	4,149,947	2,935,579
	7,543,166	1,517,644	2,343,550	11,404,360	9,798,638
<i>Total 2017</i>	7,038,080	740,827	2,019,731	9,798,638	

In 2018, of the total expenditure of £11,404,360 (2017: £9,798,638) £64,000 (2017: £83,414) was to unrestricted funds, £10,904,573 (2017: £9,302,818) was to restricted funds and £435,787 (2017: £412,406) was to restricted fixed asset funds.

7. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
		£	
Gifts made by the trust	425	-	

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. CHARITABLE ACTIVITIES

	Total funds 2018 £	<i>As restated Total funds 2017 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	5,965,516	5,751,698
Depreciation	435,787	412,406
Other staff costs	193,483	66,291
Technology costs	181,440	64,918
Educational supplies	183,929	253,135
Examination fees	14,968	6,504
Educational consultancy	123,305	192,580
Other direct costs	155,985	115,527
	7,254,413	6,863,059
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	1,577,650	1,286,382
Pension finance cost	118,000	96,000
Other staff costs	22,868	35,617
Catering supplies	152,615	120,530
Maintenance of premises and equipment	1,250,901	521,425
Cleaning	121,810	81,364
Energy	117,606	110,104
Security	14,082	34,194
PFI charges	231,571	232,873
Non staff related insurance	13,242	23,967
Other support costs	485,372	345,111
Governance costs	44,230	48,012
	4,149,947	2,935,579
	11,404,360	9,798,638

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET RESOURCES EXPENDED/(INCOMING RESOURCES)

This is stated after charging:

	2018	<i>As restated</i>
	£	2017
		£
<i>Depreciation of tangible fixed assets:</i>		
- owned by the charity	435,787	412,406
Auditors' remuneration - audit	18,750	13,500
Auditors' remuneration - other services	13,676	34,512
Operating lease rentals	22,054	21,997
PFI payments	199,942	208,300
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NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	5,234,106	5,023,776
Social security costs	502,300	486,889
Pension costs	1,357,504	1,239,568
	<u>7,093,910</u>	<u>6,750,233</u>
Agency staff costs	369,968	205,944
Staff restructuring costs	79,288	81,903
	<u><u>7,543,166</u></u>	<u><u>7,038,080</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	8,541	54,794
Severance payments	70,747	27,109
	<u><u>79,288</u></u>	<u><u>81,903</u></u>

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

Included within staff restructuring costs are non-statutory/non-contractual severance payments totalling £70,747 (2017: £27,109). Individually, the payments were: £20,000 paid on 30 September 2017, £29,521 paid on 5 January 2018, £11,600 paid on 31 January 2018, £5,925 paid on 30 April 2018 and £3,701 paid on 31 May 2018 (2017: £15,500 paid on 31 August 2017, £7,098 paid on 31 December 2016, £2,709 paid on 28 February 2017 and £1,802 paid on 30 April 2017).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	56	47
Administration and support	116	135
Management	17	15
	<u><u>189</u></u>	<u><u>197</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	3	0
In the band £100,001 - £110,000	0	1
In the band £110,000 - £120,000	1	0

Seven (2017: four) of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2018, pension contributions amounted to £78,116 for seven employees (2017: £45,401 for four employees).

e. Key management personnel

The key management personnel of the Academy Trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £617,016 (2017: £599,634).

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£	£
I Barker (CEO)	Remuneration	110,000-115,000	105,000-110,000
	Pension contributions paid	0-5,000	15,000-20,000

During the year, no Trustees received benefits in kind (2017 - one trustee, £5,018).

During the year ended 31 August 2018, expenses relating to travel and subsistence totalling £1,342 (2017 - £730) was reimbursed to one Trustee (2017 - one Trustee).

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

12. CENTRAL SERVICES

The Academy Trust has a central services function whose main purpose is to support the continuous improvement in education for the benefit of its pupils. Such support is provided through the following:

- Chief Executives office
- School improvement support
- Central finance team
- HR support
- Company secretarial support
- Governance costs
- Curriculum support
- Project management
- Estate management

The Academy Trust charges for these services on the following basis.

a percentage of income and charges for capital project and senior leadership allocations (2017 - percentage of income). Pupil numbers are used for the allocation relating to Valley Park.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Northern House School Oxford	173,364	352,126
Northern House School Solihull	128,703	148,072
Northern House School Wolverhampton	552,052	249,706
Northern House School PRU	203,339	202,003
Northern House School Wokingham	218,313	182,178
Valley Park	5,196	-
	<u>1,280,967</u>	<u>1,134,085</u>
Total		

Within the total charges of £1,280,967 (2017: £1,134,085), the actual cost to support the central team was £519,618 (2017: £511,059).

13. TRUSTEES' AND OFFICERS' INSURANCE

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

14. TANGIBLE FIXED ASSETS

	Long-term Leasehold property £	Equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2017 (as previously stated)	18,805,621	330,310	248,621	-	19,384,552
Prior year adjustment	4,377,000	-	-	-	4,377,000
At 1 September 2017 (as restated)	23,182,621	330,310	248,621	-	23,761,552
Additions	35,047	29,434	5,840	24,039	94,360
At 31 August 2018	23,217,668	359,744	254,461	24,039	23,855,912
Depreciation					
At 1 September 2017 (as previously stated)	817,621	68,456	162,681	-	1,048,758
Prior year adjustment	27,227	-	-	-	27,227
At 1 September 2017 (as restated)	844,848	68,456	162,681	-	1,075,985
Charge for the year	316,772	66,937	52,078	-	435,787
At 31 August 2018	1,161,620	135,393	214,759	-	1,511,772
Net book value					
At 31 August 2018	22,056,048	224,351	39,702	24,039	22,344,140
At 31 August 2017 (as restated)	22,337,773	261,854	85,940	-	22,685,567

Included in long-term leasehold property is land at valuation of £7,434,000 (2017 - £7,434,000) which is not depreciated.

Additions to long-term leasehold property consists of a BMX track fitted at Wolverhampton School.

15. STOCKS

	2018 £	2017 £
Uniforms	8,741	8,741

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. DEBTORS

	2018 £	2017 £
Trade debtors	2,931	2,360
Other debtors	168	168
Prepayments and accrued income	293,695	128,049
VAT recoverable	161,183	67,541
	<u>457,977</u>	<u>198,118</u>

17. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	244,925	381,408
Other taxation and social security	121,734	127,175
Other creditors	104,899	114,395
Accruals and deferred income	857,442	512,238
	<u>1,329,000</u>	<u>1,135,216</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	419,892	707,584
Resources deferred during the year	442,730	419,892
Amounts released from previous years	(419,892)	(707,584)
Deferred income at 31 August 2018	<u>442,730</u>	<u>419,892</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance from the Local Authority and clawback provision of £80k.

Included within other creditors falling due within one year is a SALIX loan of £3,451 from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments over an 8 year payback.

18. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Other creditors	<u>24,157</u>	<u>-</u>

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. CREDITORS: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	<u>6,902</u>	<u>-</u>

Included within other creditors falling after more than one year is a SALIX loan of £24,157 from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments over an 8 year payback.

19. PRIOR YEAR ADJUSTMENT

The leasehold land and buildings of Northern House School (Wokingham) Academy was inherited on conversion to Academy status in 2017 and no independent valuation was provided at the date of transfer. The ESFA have provided a valuation to the Academy during 2018. The leasehold land and buildings is owned by Wokingham Borough Council.

The Academy Trust has a 125 year lease and no payments to Wokingham Borough Council are required under the lease.

A prior year adjustment has been made to increase land and buildings by £4,377,000 at the date when Northern House School (Wokingham) Academy transferred into the Academy Trust. The depreciation at the date of transfer was also adjusted and amounted to £27,227. The corresponding entry of £4,349,773 was adjusted to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS - as restated

	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	261,334	309,052	(64,000)	-	-	506,386

Restricted funds

	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2018 £
General Annual Grant	1,002,005	3,714,912	(3,911,731)	(64,606)	-	740,580
Pupil premium	-	236,314	(236,314)	-	-	-
Other DFE/ESFA grants	-	81,615	(81,615)	-	-	-
Local Authority top up	-	5,589,105	(5,589,105)	-	-	-
Condition improvement fund	-	-	(549,700)	729,674	-	179,974
SALIX loan	-	-	(27,108)	-	-	(27,108)
Funds from predecessor schools	350,597	-	-	-	-	350,597
Pension reserve	(4,707,000)	-	(509,000)	-	968,000	(4,248,000)
	<u>(3,354,398)</u>	<u>9,621,946</u>	<u>(10,904,573)</u>	<u>665,068</u>	<u>968,000</u>	<u>(3,003,957)</u>

Restricted fixed asset funds

	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2018 £
Devolved formula capital	-	29,754	-	(29,754)	-	-
Condition improvement fund	-	729,674	-	(729,674)	-	-
Fixed asset fund	18,335,794	-	(435,787)	4,444,133	-	22,344,140
Prior year adjustment - Wokingham land and buildings (see note 19)	4,349,773	-	-	(4,349,773)	-	-
	<u>22,685,567</u>	<u>759,428</u>	<u>(435,787)</u>	<u>(665,068)</u>	<u>-</u>	<u>22,344,140</u>
Total restricted funds	<u>19,331,169</u>	<u>10,381,374</u>	<u>(11,340,360)</u>	<u>-</u>	<u>968,000</u>	<u>19,340,183</u>
Total of funds	<u>19,592,503</u>	<u>10,690,426</u>	<u>(11,404,360)</u>	<u>-</u>	<u>968,000</u>	<u>19,846,569</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS - as restated (continued)

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

General unrestricted funds can be spent on meeting objectives at the discretion of the Trustees.

The other DfE/ESFA restricted funds represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding and Skills Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy.

The pension reserve deficit represents the future pension funding requirements which will be met from future employer pension contributions.

Restricted fixed asset funds represent the amounts invested in fixed assets and unspent amounts at the period end.

Transfers between restricted and restricted fixed asset funds represents capital additions and revenue contributions funded by restricted reserves and condition improvement fund, respectively.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows

	Total 2018 £	<i>As restated Total 2017 £</i>
Northern House School Oxford	596,912	473,936
Northern House School Solihull	305,832	250,000
Northern House School Wolverhampton	(362,632)	150,000
Northern House School PRU	208,750	170,000
Northern House School Wokingham	234,678	80,000
Central school improvement and capital fund	766,889	490,000
Total before fixed asset fund and pension reserve	1,750,429	1,613,936
Restricted fixed asset fund	22,344,140	22,685,567
Pension reserve	(4,248,000)	(4,707,000)
Total	19,846,569	19,592,503

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS - as restated (continued)

The following academy is carrying a net deficit on its portion of the funds as follows

Name of Academy	Amount of deficit £
Northern House School Wolverhampton	(362,632)

The deficit at Wolverhampton was caused by a reduction in commissioned places (driven by the Local Authority) and additional school improvement support costs required to support rapid increase in spot place purchases.

The Academy Trust is taking the following action to return the academies to surplus

Efforts are being made to increase pupil numbers at Wolverhampton.

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS - as restated (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Northern House School Oxford	1,085,387	140,844	152,799	170,794	1,549,824	1,641,456
Northern House School Solihull	1,394,873	126,323	142,762	506,140	2,170,098	1,958,833
Northern House School Wolverhampton	1,624,897	233,528	133,294	792,064	2,783,783	2,272,661
Northern House School PRU	496,940	115,310	151,059	311,508	1,074,817	689,906
Northern House School Wokingham	1,215,621	225,820	224,201	477,722	2,143,364	1,443,929
Valley Park	-	104,655	772	(33,190)	72,237	-
Central services	147,800	631,170	48,226	347,254	1,174,450	1,379,447
	<u>5,965,518</u>	<u>1,577,650</u>	<u>853,113</u>	<u>2,572,292</u>	<u>10,968,573</u>	<u>9,386,232</u>

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS - as restated (continued)

STATEMENT OF FUNDS - PRIOR YEAR - as restated

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Resources expended £</i>	<i>Transfers £</i>	<i>Gains/ (losses) £</i>	<i>Balance at 31 August 2017 £</i>
General funds						
General unrestricted funds	195,892	170,159	(83,414)	(21,303)	-	261,334
Restricted funds						
	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Resources expended £</i>	<i>Transfers £</i>	<i>Gains/ (losses) £</i>	<i>Balance at 31 August 2017 £</i>
General Annual Grant	451,396	4,044,023	(3,385,416)	(107,998)	-	1,002,005
Pupil premium	-	224,468	(224,468)	-	-	-
Other DFE/ESFA grants	-	140,914	(140,914)	-	-	-
Local Authority top up	-	5,014,239	(5,014,239)	-	-	-
Funds from predecessor schools	355,436	-	(1,363,839)	1,359,000	-	350,597
Other restricted funds	-	5,781	(5,781)	-	-	-
Pension reserve	(3,441,000)	-	(532,000)	(1,359,000)	625,000	(4,707,000)
	<u>(2,634,168)</u>	<u>9,429,425</u>	<u>(10,666,657)</u>	<u>(107,998)</u>	<u>625,000</u>	<u>(3,354,398)</u>
Restricted fixed asset funds						
	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Resources expended £</i>	<i>Transfers £</i>	<i>Gains/ (losses) £</i>	<i>Balance at 31 August 2017 £</i>
Devolved formula capital	-	30,091	-	(30,091)	-	-
Condition improvement fund	125,000	-	-	(125,000)	-	-
Fixed asset fund	18,436,581	-	(385,179)	284,392	-	18,335,794
Prior year adjustment	-	4,349,773	-	-	-	4,349,773
	<u>18,561,581</u>	<u>4,379,864</u>	<u>(385,179)</u>	<u>129,301</u>	<u>-</u>	<u>22,685,567</u>
Total restricted funds	<u>15,927,413</u>	<u>13,809,289</u>	<u>(11,051,836)</u>	<u>21,303</u>	<u>625,000</u>	<u>19,331,169</u>
Total of funds	<u>16,123,305</u>	<u>13,979,448</u>	<u>(11,135,250)</u>	<u>-</u>	<u>625,000</u>	<u>19,592,503</u>

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	195,892	479,211	(147,414)	(21,303)	-	506,386
Restricted funds						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2018 £
General Annual Grant	451,396	7,758,935	(7,297,147)	(172,604)	-	740,580
Pupil premium	-	460,782	(460,782)	-	-	-
Other DFE/ESFA grants	-	222,529	(222,529)	-	-	-
Local Authority top up	-	10,603,344	(10,603,344)	-	-	-
Condition improvement fund	-	-	(549,700)	729,674	-	179,974
SALIX loan	-	-	(27,108)	-	-	(27,108)
Funds from predecessor schools	355,436	-	(1,363,839)	1,359,000	-	350,597
Other restricted funds	-	5,781	(5,781)	-	-	-
Pension reserve	(3,441,000)	-	(1,041,000)	(1,359,000)	1,593,000	(4,248,000)
	<u>(2,634,168)</u>	<u>19,051,371</u>	<u>(21,571,230)</u>	<u>557,070</u>	<u>1,593,000</u>	<u>(3,003,957)</u>
Restricted fixed asset funds						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2018 £
Devolved formula capital	-	59,845	-	(59,845)	-	-
Condition improvement fund	125,000	729,674	-	(854,674)	-	-
Fixed asset fund	18,436,581	-	(820,966)	4,728,525	-	22,344,140
Prior year adjustment	-	4,349,773	-	(4,349,773)	-	-
	<u>18,561,581</u>	<u>5,139,292</u>	<u>(820,966)</u>	<u>(535,767)</u>	<u>-</u>	<u>22,344,140</u>
	<u>15,927,413</u>	<u>24,190,663</u>	<u>(22,392,196)</u>	<u>21,303</u>	<u>1,593,000</u>	<u>19,340,183</u>
Total of funds	<u>16,123,305</u>	<u>24,669,874</u>	<u>(22,539,610)</u>	<u>-</u>	<u>1,593,000</u>	<u>19,846,569</u>

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	22,344,140	22,344,140
Current assets	506,386	2,597,200	-	3,103,586
Creditors due within one year	-	(1,329,000)	-	(1,329,000)
Creditors due in more than one year	-	(24,157)	-	(24,157)
Pension liability	-	(4,248,000)	-	(4,248,000)
	<u>506,386</u>	<u>(3,003,957)</u>	<u>22,344,140</u>	<u>19,846,569</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR - as restated

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	22,685,567	22,685,567
Current assets	261,334	2,487,818	-	2,749,152
Creditors due within one year	-	(1,135,216)	-	(1,135,216)
Provisions for liabilities and charges	-	(4,707,000)	-	(4,707,000)
	<u>261,334</u>	<u>(3,354,398)</u>	<u>22,685,567</u>	<u>19,592,503</u>

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

	2018 £	As restated 2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(713,934)	2,844,198
Adjustment for:		
Depreciation charges	435,787	412,406
Dividends, interest and rents from investments	(1,407)	(1,301)
Decrease in stocks	-	1
(Increase)/decrease in debtors	(259,859)	151,569
Increase/(decrease) in creditors	217,941	(136,598)
Capital grants from DfE and other capital income	(759,428)	(30,091)
Pension adjustments	509,000	532,000
Fixed assets transferred from local authority on conversion	-	(4,377,000)
Pension transferred from local authority on conversion	-	1,359,000
Net cash (used in)/provided by operating activities	<u>(571,900)</u>	<u>754,184</u>

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2018

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	2,636,868	2,542,293
Total	<u>2,636,868</u>	<u>2,542,293</u>

24. CAPITAL COMMITMENTS

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>202,270</u>	<u>-</u>

25. PENSION COMMITMENTS

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

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

Contributions amounting to £99,567 were payable to the schemes at 31 August 2018 (2017 - 104,351) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

25. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £447,247 (2017 - £419,935).

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

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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £621,000 (2017 - £467,000), of which employer's contributions totalled £491,000 (2017 - £353,000) and employees' contributions totalled £130,000 (2017 - £114,000). The agreed contribution rates for future years are 19.3% (Northern House School Oxford), 17.7% (Northern House School Solihull and Wolverhampton) and 17.6% (Northern House School Wokingham) for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.70 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI increases	3.30 %	3.60 %

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

25. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	22.8	22.7
Females	25.0	25.0
Retiring in 20 years		
Males	25.0	25.0
Females	27.4	27.3

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis - present value of total obligation		
Discount rate +0.1%	7,226,000	7,226,000
Discount rate -0.1%	7,589,000	7,589,000
Mortality assumption - 1 year increase	7,654,000	7,654,000
Mortality assumption - 1 year decrease	7,165,000	7,165,000
CPI rate +0.1%	7,557,000	7,557,000
CPI rate -0.1%	-	7,279,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,133,100	1,617,000
Gilts	98,000	249,000
Corporate bonds	381,810	179,000
Property	308,440	221,000
Cash and other liquid assets	213,650	156,000
Alternative assets	251,000	276,000
Total market value of assets	3,386,000	2,698,000

The actual return on scheme assets was £134,500 (2017 - £282,000).

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Current service cost	(881,000)	(789,000)
Interest cost	(118,000)	(96,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	(507,000)
Administrative expenses	(1,000)	-
Total	(1,000,000)	(1,392,000)

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

	2018 £	2017 £
Opening defined benefit obligation	7,405,000	4,940,000
Upon conversion	-	1,321,000
Current service cost	881,000	789,000
Interest cost	196,000	144,000
Employee contributions	130,000	114,000
Actuarial gains	(921,000)	(403,000)
Benefits paid	(57,000)	(114,000)
Effect of non-routine settlements	-	614,000
Closing defined benefit obligation	7,634,000	7,405,000

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

	2018 £	2017 £
Opening fair value of scheme assets	2,698,000	1,499,000
Upon conversion	-	469,000
Interest on assets	78,000	48,000
Actuarial gains	47,000	222,000
Employer contributions	491,000	353,000
Employee contributions	130,000	114,000
Benefits paid	(57,000)	(114,000)
Effect of non-routine settlements	-	107,000
Administration expenses	(1,000)	-
Closing fair value of scheme assets	3,386,000	2,698,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

PENSION COMMITMENTS (continued)

The amount shown in the Statement of Financial Activities is

	2018	2017
	£	£
Changes in financial assumptions	921,000	403,000
Return on assets excluding amounts included in net interest	47,000	222,000
	968,000	625,000

The amount recognised in the Balance Sheet is as follows:

	2018	2017
	£	£
Present value of defined benefit obligation	(7,634,000)	(7,405,000)
Fair value of scheme assets	3,386,000	2,698,000
	(4,248,000)	(4,707,000)

26. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts payable:		
Within 1 year	15,910	20,468
Between 1 and 5 years	7,020	16,071
Total	22,930	36,539

27. PFI COMMITMENTS

At 31 August 2017 the Academy Trust had PFI commitments of:

	2018	2017
	£	£
Within 1 year	224,336	215,708
Between 1 and 5 years	979,582	948,993
After more than 5 years	3,604,753	3,859,678
Total	4,808,671	5,024,379

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

29. 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.



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