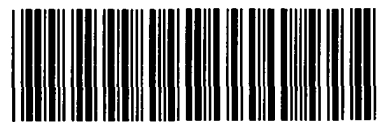


Northwood Primary School Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2019

Company Registration Number:
08405075 (England and Wales)

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Northwood Primary School Academy Trust

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Northwood Primary School Academy Trust

Reference and Administrative Details

Members:

W Bluestone
V Garrett
M Horton
R Quigley

Trustees:

C Brignell (resigned 31 August 2019)
H Devereux
P Dusgate
V Garrett
J Harding (resigned 5 September 2019)
S Hussey
A Moffat (resigned 27 November 2018)
R Osman (appointed 21 March 2019)
R Pascoe (appointed 21 March 2019)
N Reed
A Sheath (resigned 11 February 2019)
A Sice
A Smith (resigned 25 January 2019)
B Taplin (appointed 21 March 2019)
D Thistlewood

Company Secretary

A Airey

Senior Management Team:

| | |
|-----------|-------------------------|
| S Hussey | Head Teacher |
| S Mumford | Deputy Head Teacher |
| D Bryant | Senior Leader |
| A Steed | Senior Leader |
| A Airey | School Business Manager |

Company Name

Northwood Primary School Academy Trust

Principal and Registered Office

Northwood Primary School
Wyatts Lane
Cowes
Isle of Wight
PO31 8PU

Northwood Primary School Academy Trust

Reference and Administrative Details

Company Registration Number

08405075 (England and Wales)

Independent Auditor

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Bankers

Lloyds Bank plc

16a High Street

Cosham

Portsmouth

Hampshire

PO6 3BY

Solicitors

Paris Smith

1 London Road

Southampton

Hampshire

SO15 2AE

Northwood Primary School Academy Trust

Trustees' Report

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

The academy trust operates an academy for pupils aged 4 to 11 and draws pupils from a wide area including Cowes, Newport and East Cowes. It has a pupil capacity of 210 and had a roll of 203 in the school census in January 2019.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Northwood Primary School Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Northwood Primary School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

From April 2016 the risk protection agreement (RPA) with UK government has covered trustees' third party indemnity.

Method of Recruitment and Appointment or Election of Trustees

The number of trustees will not be less than three but (unless otherwise determined by ordinary resolution) will not be subject to any maximum. The members may appoint up to 12 trustees, including staff trustees through any such process as they may determine. The total number of trustees (including the Headteacher) who are employees of the academy trust shall not exceed one third of the total number of trustees.

Parent trustees are elected by parents of registered pupils at the academy and must be a parent of a pupil at the academy at the time they are elected. The number of parent trustees required shall be made up by parent trustees appointed by the Board of Trustees if the number of parents standing for election is less than the number of vacancies.

Northwood Primary School Academy Trust

Trustees' Report

Method of Recruitment and Appointment or Election of Trustees (continued)

The trustees may also appoint co-opted trustees. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if the number of trustees who are employees of the academy trust would then exceed one third of the total number of trustees (including the Headteacher).

The term of office for any trustee shall be four years and, subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected. A trustee shall cease to hold office if he resigns his office by notice to the academy trust (but only if at least three trustees will remain in office when the notice of resignation is to take effect). A trustee shall cease to hold office if he is removed by the person or persons who appointed him, however this does not apply in respect of a parent trustee.

Each school year the trustees shall elect a chairman and a vice-chairman from among their number. A trustee who is employed by the academy trust shall not be eligible for election as chairman or vice-chairman.

No person who is a Local Authority Associated Person may be appointed as a trustee if, once the appointment had taken effect, the number of trustees who are Local Authority Associated Persons would represent 20% or more of the total number of trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new trustees complete in-house induction training and are given the opportunity to attend the Local Authority new governor training sessions. Each new trustee is paired with an experienced trustee who will provide additional support. All trustees are provided with access to policies, procedures, minutes, accounts, budgets and other documents that they will need to undertake their role as trustees. All trustees are invited to external and in-house training throughout the year.

Organisational Structure

The academy has a leadership structure which consists of the trustees and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and to encourage involvement in the decision making at all levels. The trustees are responsible for setting general policy, adopting an annual plan and budget approving the statutory accounts, monitoring the academy by the use of budgets and other data, and making major decisions about the direction of the academy, capital expenditure and staffing appointments. The Senior Leadership Team (SLT) consists of the Principal, Deputy Headteacher, English and Maths Leaders and the School Business Manager. The SLT control the academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a governor. The Deputy Headteacher and English and Maths Leaders assist with the day to day operation of the academy, in particular overseeing teaching and learning quality, staff, facilities and pupils.

Northwood Primary School Academy Trust

Trustees' Report

Arrangements for setting pay and remuneration of key management personnel

For teachers the school mirrors the requirements of the current Statutory Pay and Conditions Document (STPCD), for support staff the school mirrors the Isle of Wight Council's Local Job Evaluation Pay Framework. Pay progression for teachers is performance related and is determined by the pay committee of the governing body with recommendations from the Headteacher. The Headteacher's pay progression is determined by the pay committee with recommendations from the Headteacher's performance review panel. Support staff receive annual pay progression within a set grade as determined by the job evaluation pay framework.

Related Parties and other Connected Charities and Organisations

There were no related party transactions during the period. There were financial transactions during the period with the following connected (public sector) organisations: Barton Primary School, Bembridge Primary School, Cowes Enterprise College, East Dorset District Council, Halterworth Community Primary School, Hampshire County Council, Isle of Wight Council, Isle of Wight Council Pension Fund, Medina College, YPO.

Objectives and Activities

Objects and Aims

The company was set up on 1 April 2013. The principal object and activity of the Charitable Company is the operation of Northwood Primary School; to provide a broad and balanced education to our pupils. Our school motto is 'A World of Opportunities' and we strive to ensure that this is the case for each pupil. Our aim is for every child to achieve the best possible education in the fullest sense of the word. For this to be attained

- our pupils must feel safe and secure
- our teaching must be outstanding
- our staff trained, well equipped and motivated
- our funds spent efficiently and effectively
- our governors and members be well informed
- our community must be included and effectively used.

Objectives, Strategies and Activities

The main objectives for the year ended 31 August 2019 were as follows:

- Year 6 Targets: ARE: Reading – 76%, Writing 76%, Maths – 79%, SPAG – 79%, Combined Score – 72%
- To continue to develop partnership with Halterworth Teaching School Alliance and become the IW Hub for their I.T.T.
- To continue to embed the mastery approach to maths teaching and learning, with particular focus on fluency.
- To develop the skills, knowledge and attributes of new Deputy Head so that leadership is distributed and school runs effectively in the absence of the Headteacher.
- To improve the quality and consistency of teaching of writing across the school.
- To focus on year 3 progress and ensure that PP and SEND children have targeted intervention and make progress.

Northwood Primary School Academy Trust

Trustees' Report

Public Benefit

The governors 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

EYFS Data Summary

Good Level of Development:

| | 2017 | 2018 | 2019 |
|---------------|-------------|-------------|-------------|
| Northwood | 75.0% | 72.4% | 68.0% |
| Isle of Wight | 71.2% | 73.0% | 71.5% |
| National | 70.7% | 71.6% | |

Key Stage 1 SATs results 2019: Age Related

READING

| | 2017 | 2018 | 2019 |
|---------------|-------------|-------------|-------------|
| Northwood | 74.1% | 78.6% | 79.0% |
| Isle of Wight | 72.1% | 70.1% | 71.0% |
| National | 75.6% | 75.4% | 75.0% |

MATHS

| | 2017 | 2018 | 2019 |
|---------------|-------------|-------------|-------------|
| Northwood | 77.8% | 60.7% | 69.0% |
| Isle of Wight | 68.3% | 68.4% | 69.8% |
| National | 75.1% | 76.1% | 76.0% |

WRITING

| | 2017 | 2018 | 2019 |
|---------------|-------------|-------------|-------------|
| Northwood | 66.7% | 64.3% | 72.4% |
| Isle of Wight | 62.1% | 60.8% | 63.8% |
| National | 68.2% | 69.9% | 69.0% |

Key Stage 2 results 2019: Age Related

READING

| | 2017 | 2018 | 2019 |
|---------------|-------------|-------------|-------------|
| Northwood | 92.6% | 81.8% | 73.0% |
| Isle of Wight | 71.2% | 68.8% | 70.3% |
| National | 71.5% | 75.3% | 73.0% |

WRITING

| | 2017 | 2018 | 2019 |
|---------------|-------------|-------------|-------------|
| Northwood | 66.7% | 81.8% | 87.0% |
| Isle of Wight | 71.8% | 72.9% | 74.3% |
| National | 76.3% | 78.3% | 78.0% |

Northwood Primary School Academy Trust

Trustees' Report

Achievements and Performance (continued)

MATHS

| | 2017 | 2018 | 2019 |
|---------------|-------|-------|-------|
| Northwood | 77.8% | 77.3% | 60.0% |
| Isle of Wight | 68.8% | 65.9% | 74.1% |
| National | 74.9% | 75.6% | 79.0% |

SPELLING PUNCTUATION & GRAMMAR

| | 2017 | 2018 | 2019 |
|---------------|-------|-------|-------|
| Northwood | 85.2% | 90.9% | 73.0% |
| Isle of Wight | 69.6% | 69.6% | |
| National | 76.9% | 77.7% | 78.0% |

READING/WRITING/MATHS COMBINED SCORE

| | 2017 | 2018 | 2019 |
|---------------|-------|-------|-------|
| Northwood | 59.3% | 72.7% | 53.0% |
| Isle of Wight | 54.6% | 54.2% | 59.0% |
| National | 61.0% | 64.4% | 65.0% |

Key Performance Indicators

- See year 5 results in the table above.
- Strategic partnership with Halterworth continues to work effectively. Andrew Steed is still a Specialist Leader in Education for Maths. The Head Teacher sits on the Strategic Board and supports the ITT programme with student interviews. Northwood is now the IW Hub and students placed in IW schools can be supported by the headteacher.
- Results across the school in the fluency aspect of maths continue to rise; supporting this in Key Stage 2 is the consistent use of Times Table Rock Stars. The results for the Arithmetic paper in year 6 have improved over a 3 year trend.
- New Deputy Head is trained in all aspects of the HT's role in terms of safeguarding. She is responsible for the EYFS and mentoring of the year 1 NQT. The school runs effectively in the absence of the HT.
- Year 6 writing results are well above the national and local average. The English Lead has ensured a consistency of approach to assessment and the regularity of independent writing tasks. Writing tasks are regularly moderated across all year groups.
- At the end of the academic year the PP and SEND children in year 3 had all made satisfactory progress. 75% of them had made good progress in all areas.

Going Concern

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

Northwood Primary School Academy Trust

Trustees' Report

Financial Review

Most of the School's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of current and capital grants, the use of which is restricted to particular purposes. The grants received during 2018/19 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities. Prudent financial management, including cost reduction, is an ongoing requirement of the school's financial wellbeing.

Reserves Policy

Our aim is to use the allocated funding each year for the full benefit of the children currently attending the school. However we do budget a small amount each year for unforeseen circumstances. The level of reserves held at 31 August 2019 was as follows:

- Unrestricted (free) reserves of £21,772
- A restricted fixed asset fund of £1,240,804, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £1,019,000
- Other restricted funds of £88,712
- Total funds of £332,288

Investment Policy

The objective is to maximise investment on any long term accrued balances in order to protect those balances against inflation. The school also aims to invest any other surplus cash fund on a short term basis. All investments will be made ensuring there is no tangible risk to the loss of these funds. Where a short term surplus is identified these funds will be invested through the Treasury Deposits mechanism using the School's bankers Lloyds Bank. Investments are made with regard to the Charity Commission guidance in relation to investments.

Principal Risks and Uncertainties

The level of central government funding settlements remain the principal risk to the school. To date, the governing body has managed this risk successfully and will continue to attempt to through prudent financial management and, if necessary, further cost reductions. However, planned increases in employer contributions to the Teachers' Pension Scheme will need to be fully funded for this success to continue.

Fundraising

As part of its work within the community, the academy trust undertakes fundraising activities, for example through fetes, cake sales, non-uniform days etc. The academy trust raises funds in order to support its own operations and also to make donations to local and national charities. The academy trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the academy trust during the year.

Northwood Primary School Academy Trust

Trustees' Report

Plans for Future Periods

The intent of the governing body is for the School to continue working together with staff, young learners, and parents to enhance the education provision in our local area. We will strive to improve the education prospects of children in Northwood Primary School and we will play our part in a shared leadership approach to the education provision on the Island. It remains our intention to use the allocated funding each year for the full benefit of the children attending the school at that time.

Funds Held as Custodian Trustee on Behalf of Others

No funds were held as custodian trustee on behalf of others.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2019 and signed on the board's behalf by:



V Garrett

Trustee

Northwood Primary School Academy Trust

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Northwood Primary 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 board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Northwood Primary School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustees' Responsibilities. The full governing body (FGB) has formally met six times during the year, the Achievement, Curriculum and Learning Committee (ACL) has formally met five times during the year and the Finance, Management and Administration Committee (FMA) has formally met five times during the year. Attendance during the year at meetings of the governing body and sub committees was as follows:

| Trustee | Meetings Attended | Out of a possible |
|--|-------------------|-------------------|
| Catherine Brignell (term ended 31.8.19) | 9 | 11 |
| Hannah Devereux | 8 | 12 |
| Perdita Dugate | 8 | 11 |
| Viv Garrett (Chair) | 15 | 16 |
| Jemma Harding | 4 | 11 |
| Sarah Hussey | 15 | 16 |
| Alex Moffat (Vice Chair) (resigned 27.11.18) | 2 | 2 |
| Russell Osman (elected 21.03.19) | 4 | 5 |
| Rachel Pascoe (elected 21.03.19) | 4 | 5 |
| Neil Reed | 11 | 11 |
| Anne Sheath (resigned 11.02.19) | 2 | 4 |
| Avril Sice | 11 | 11 |
| Adrian Smith (resigned 25.01.19) | 1 | 3 |
| Brian Taplin (elected 21.03.19) | 4 | 5 |
| Dean Thistlewood (Vice Chair) | 10 | 11 |

Northwood Primary School Academy Trust

Governance Statement

Governance (continued)

The FGB determines the strategic direction of the school, considers and approves policies as appropriate, and oversees the work of the two sub committees. The FGB considered and approved the acceptance of the Academy's budget at the start of the year. The FMA oversaw the financial affairs of the school, undertook reviews of financial policies and procedures, the monitoring and review of income/expenditure ensuring compliance with the overall financial plan for the Academy. The FMA monitored and reviewed the overall effectiveness of all matters concerning the school premises and grounds, security and Health and Safety (including Safeguarding) along with the effectiveness of leadership and management pertaining to them. The ACL monitored and reviewed the progress of pupils, the quality of teaching and the effectiveness of teaching and learning (including the progress of pupil premium and other low attaining groups) along with the effectiveness of leadership and management pertaining to them.

Review of Value for Money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- A negotiated price reduction with the catering provider for lunchtime set ups and breakdowns
- Procuring a competitive new electricity contract through the Academy's energy broker

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

Northwood Primary School Academy Trust

Governance Statement

The Risk and Control Framework

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

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

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed an experienced School Business Manager of a local maintained school as an Independent Reviewer (IR).

The IR's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The IR reports to the governing body on the operation of the systems of control and the discharge of the governors' financial responsibilities.

Review of Effectiveness

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

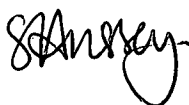
- the work of the Independent Reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 12 December 2019 and signed on its behalf by:



V Garrett
Trustee



S Hussey
Accounting Officer

Northwood Primary School Academy Trust

Statement of Regularity, Propriety and Compliance

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

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

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



S Hussey

Accounting Officer

12 December 2019

Northwood Primary School Academy Trust

Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 12 December 2019 and signed on its behalf by:



V Garrett

Trustee

Northwood Primary School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Northwood Primary School Academy Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

Northwood Primary School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Northwood Primary School Academy Trust

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Northwood Primary School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Northwood Primary School Academy Trust

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable to 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 Report of Independent Auditors.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



R Hurst FCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 16 December 2019

Northwood Primary School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Northwood Primary School Academy Trust and the Education & Skills Funding Agency

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

This report is made solely to the governing body and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Northwood Primary 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 the Northwood Primary School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Northwood Primary School Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Northwood Primary School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Northwood Primary School Academy Trust and the Education & Skills Funding Agency

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

The work undertaken to draw to our conclusion includes:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy Trust's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy Trust;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy Trust's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy Trust's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

Northwood Primary School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Northwood Primary School Academy Trust and the Education & Skills Funding Agency

Conclusion

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



R Hurst FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 16 December 2019

Northwood Primary School Academy Trust

Statement of Financial Activities for the year ended 31 August 2019

(including Income and Expenditure Account)

| | Note | Un-restricted funds £ | Restricted General Funds £ | Restricted Pension Funds £ | Restricted Fixed Asset Funds £ | 2018/19 Total £ | 2017/18 Total £ |
|---|------|--------------------------|-------------------------------|-------------------------------|-----------------------------------|--------------------|--------------------|
| Income and endowments from: | | | | | | | |
| Donations and capital grants | 2 | - | 6,724 | - | 15,261 | 21,985 | 9,641 |
| Charitable activities: | | | | | | | |
| Funding for the academy trust's educational operations | 3 | - | 919,688 | - | - | 919,688 | 894,512 |
| Other trading activities | 4 | 780 | - | - | - | 780 | 1,131 |
| Investments | 5 | 106 | - | - | - | 106 | 90 |
| Total | | 886 | 926,412 | - | 15,261 | 942,559 | 905,374 |
| Expenditure on: | | | | | | | |
| Charitable activities: | | | | | | | |
| Academy trust educational operations | 7 | - | 901,255 | 105,000 | 27,078 | 1,033,333 | 964,987 |
| Net income / (expenditure) | | 886 | 25,157 | (105,000) | (11,817) | (90,774) | (59,613) |
| Transfers between funds | 14 | - | (3,614) | - | 3,614 | - | - |
| Other recognised gains / (losses): | | | | | | | |
| Actuarial (losses) / gains on defined benefit pension schemes | 21 | - | - | (260,000) | - | (260,000) | 102,000 |
| Net movement in funds | | 886 | 21,543 | (365,000) | (8,203) | (350,774) | 42,387 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 20,886 | 67,169 | (654,000) | 1,249,007 | 683,062 | 640,675 |
| Total funds carried forward | | 21,772 | 88,712 | (1,019,000) | 1,240,804 | 332,288 | 683,062 |

The notes on pages 24 to 44 form part of these financial statements.

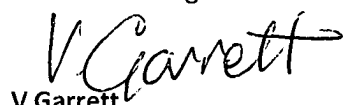
Northwood Primary School Academy Trust

Balance Sheet as at 31 August 2019

Company Number 08405075

| | Note | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|--|------|--------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 1,187,153 | | 1,206,490 |
| Current assets | | | | | |
| Debtors | 12 | 21,839 | | 19,592 | |
| Cash at bank and in hand | | 182,648 | | 153,704 | |
| | | <u>204,487</u> | | <u>173,296</u> | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 13 | <u>(40,352)</u> | | <u>(42,724)</u> | |
| Net current assets | | | <u>164,135</u> | | <u>130,572</u> |
| Total assets less current liabilities | | | <u>1,351,288</u> | | <u>1,337,062</u> |
| Defined benefit pension scheme liability | 21 | | (1,019,000) | | (654,000) |
| Total net assets | | | <u>332,288</u> | | <u>683,062</u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund | 14 | 1,240,804 | | 1,249,007 | |
| Restricted income fund | 14 | 88,712 | | 67,169 | |
| Pension reserve | 14 | <u>(1,019,000)</u> | | <u>(654,000)</u> | |
| Total restricted funds | | | 310,516 | | 662,176 |
| Unrestricted income funds | 14 | | 21,772 | | 20,886 |
| Total funds | | | <u>332,288</u> | | <u>683,062</u> |

The financial statements on pages 21 to 44 were approved by the trustees and authorised for issue on 12 December 2019 and are signed on their behalf by:



V Garrett
Trustee

The notes on pages 24 to 44 form part of these financial statements.

Northwood Primary School Academy Trust

Statement of Cash Flows for the year ended 31 August 2019

| | Note | 2019 £ | 2018 £ |
|--|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Net cash provided by (used in) operating activities | 17 | 36,685 | 30,791 |
| Cash flows from investing activities | 18 | (7,741) | - |
| Change in cash and cash equivalents in the reporting period | | 28,944 | 30,791 |
| Cash and cash equivalents at 1 September 2018 | | 153,704 | 122,913 |
| Cash and cash equivalents at 31 August 2019 | 19 | 182,648 | 153,704 |

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of Preparation

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants**

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

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

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

- **Donations**

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

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Income (continued)

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Tangible Fixed Assets

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

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

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

| | |
|------------------------------|---|
| Leasehold Land and Buildings | lower of 2% straight line on buildings or the length of the lease |
| Furniture and Equipment | 20% reducing balance |
| Plant and Machinery | 20% straight line |
| Computer Equipment | 20% straight line |

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

Where the academy trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the academy trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the academy trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

Liabilities

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

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Provisions

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

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

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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 12. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

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

Taxation

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

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

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Pensions Benefits

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

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

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

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

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.

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Critical accounting estimates and areas of judgement

Estimates and judgements 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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assumptions used are disclosed in note 21.

Critical areas of judgement

There are no other critical areas of judgement.

2 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | 2018/19 Total £ | 2017/18 Total £ |
|-------------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Capital grants | - | 15,261 | 15,261 | 6,126 |
| Other donations | - | 6,724 | 6,724 | 3,515 |
| | - | 21,985 | 21,985 | 9,641 |
| <i>Total 2018</i> | - | 9,641 | 9,641 | |

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

3 Funding for the Academy Trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | 2018/19 Total £ | 2017/18 Total £ |
|---|----------------------------|--------------------------|-----------------------|-----------------------|
| DfE / ESFA grants | | | | |
| General Annual Grant (GAG) | - | 758,778 | 758,778 | 763,376 |
| Pupil premium | - | 43,088 | 43,088 | 36,740 |
| Other DfE Group grants | - | 42,579 | 42,579 | 32,338 |
| | - | 844,445 | 844,445 | 832,454 |
| Other Government grants | | | | |
| Local authority grants | - | 8,025 | 8,025 | 15,897 |
| Other income from the academy trust's educational operations | | | | |
| Trip income | - | 10,655 | 10,655 | 9,737 |
| Other income | - | 56,563 | 56,563 | 36,424 |
| | - | 67,218 | 67,218 | 46,161 |
| | - | 919,688 | 919,688 | 894,512 |
| <i>Total 2018</i> | - | 894,512 | 894,512 | |

4 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | 2018/19 Total £ | 2017/18 Total £ |
|--------------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Hire of facilities | 780 | - | 780 | 1,131 |
| <i>Total 2018</i> | 1,131 | - | 1,131 | |

5 Investment income

| | Unrestricted funds £ | Restricted funds £ | 2018/19 Total £ | 2017/18 Total £ |
|---------------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Short term deposits | 106 | - | 106 | 90 |
| <i>Total 2018</i> | 90 | - | 90 | |

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

6 Expenditure

| | Staff costs | Non Pay Expenditure | | Total | Total |
|-----------------------------------|----------------|---------------------|----------------|------------------|----------------|
| | | Premises | Other | 2018/19 | 2017/18 |
| | £ | £ | £ | £ | £ |
| Academy's educational operations: | | | | | |
| Direct costs | 585,985 | - | 41,874 | 627,859 | 621,299 |
| Allocated support costs | 238,669 | 44,852 | 121,953 | 405,474 | 343,688 |
| | <u>824,654</u> | <u>44,852</u> | <u>163,827</u> | <u>1,033,333</u> | <u>964,987</u> |
| <i>Total 2018</i> | <i>762,105</i> | <i>45,465</i> | <i>157,417</i> | <i>964,987</i> | |

Net income/(expenditure) for the period includes:

| | 2018/19 | 2017/18 |
|------------------------------|--------------|--------------|
| | £ | £ |
| Operating lease rentals | 4,341 | 930 |
| Depreciation | 27,078 | 29,689 |
| Fees payable to auditor for: | | |
| Audit | 6,420 | 6,295 |
| Other services | <u>5,610</u> | <u>3,994</u> |

7 Charitable activities

| | 2018/19 | 2017/18 |
|---------------|------------------|----------------|
| | Total | Total |
| | £ | £ |
| Direct costs | 627,859 | 621,299 |
| Support costs | 405,474 | 343,688 |
| | <u>1,033,333</u> | <u>964,987</u> |

Analysis of support costs:

| | Educational operations | 2018/19 | 2017/18 |
|---------------------|------------------------|----------------|----------------|
| | | Total | Total |
| | £ | £ | £ |
| Support staff costs | 238,669 | 238,669 | 180,623 |
| Depreciation | 27,078 | 27,078 | 29,689 |
| Technology costs | 6,532 | 6,532 | 6,230 |
| Premises costs | 44,852 | 44,852 | 45,465 |
| Other support costs | 76,313 | 76,313 | 71,392 |
| Governance costs | 12,030 | 12,030 | 10,289 |
| Total support costs | <u>405,474</u> | <u>405,474</u> | <u>343,688</u> |
| <i>Total 2018</i> | <i>343,688</i> | <i>343,688</i> | |

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

8 Staff

a) Staff costs

Staff costs during the period were:

| | 2018/19 | 2017/18 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 583,343 | 575,276 |
| Social security costs | 46,149 | 42,878 |
| Pension costs | 195,162 | 143,951 |
| | <u>824,654</u> | <u>762,105</u> |

b) Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

| | 2018/19 | 2017/18 |
|----------------------------|-----------|-----------|
| | No. | No. |
| Teachers | 8 | 7 |
| Administration and support | 19 | 26 |
| Management | 2 | 2 |
| | <u>29</u> | <u>35</u> |

c) Higher paid staff

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

| | 2018/19 | 2017/18 |
|-------------------|---------|---------|
| | No. | No. |
| £60,000 - £70,000 | 1 | 1 |

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £297,709 (2018: £296,153).

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

9 Related Party Transactions – Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

| | | 2018/19 | 2017/18 |
|-----------------------------|---------------------------------------|---------|---------|
| | | £000 | £000 |
| S Hussey (Staff trustee) | Remuneration | 65-70 | 60-65 |
| | Employer's pension contributions paid | 10-15 | 10-15 |
| A Sice (Staff trustee) | Remuneration | 10-15 | 5-10 |
| | Employer's pension contributions paid | 0-5 | 0-5 |

During the period ended 31 August 2019, no trustees received any reimbursement of expenses (2018: £162 to one trustee).

10 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 £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

11 Tangible fixed assets

| | Leasehold Land and Buildings £ | Furniture and Equipment £ | Plant and Machinery £ | Computer Equipment £ | Total £ |
|------------------------|---|------------------------------------|-----------------------------|----------------------------|------------------|
| Cost | | | | | |
| At 1 September 2018 | 1,295,427 | 10,064 | 7,713 | 57,483 | 1,370,687 |
| Acquisitions | - | 3,614 | - | 4,127 | 7,741 |
| At 31 August 2019 | <u>1,295,427</u> | <u>13,678</u> | <u>7,713</u> | <u>61,610</u> | <u>1,378,428</u> |
| Depreciation | | | | | |
| At 1 September 2018 | 105,790 | 5,940 | 5,498 | 46,969 | 164,197 |
| Charged in year | 19,268 | 1,070 | 1,140 | 5,600 | 27,078 |
| At 31 August 2019 | <u>125,058</u> | <u>7,010</u> | <u>6,638</u> | <u>52,569</u> | <u>191,275</u> |
| Net book values | | | | | |
| At 31 August 2018 | 1,189,637 | 4,124 | 2,215 | 10,514 | 1,206,490 |
| At 31 August 2019 | <u>1,170,369</u> | <u>6,668</u> | <u>1,075</u> | <u>9,041</u> | <u>1,187,153</u> |

12 Debtors

| | 2018/19 £ | 2017/18 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 3,317 | - |
| VAT recoverable | - | 3,480 |
| Prepayments and accrued income | <u>18,522</u> | <u>16,112</u> |
| | <u>21,839</u> | <u>19,592</u> |

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

13 Creditors: amounts falling due within one year

| | 2018/19 | 2017/18 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 4,440 | 3,745 |
| Other taxation and social security | 6,985 | 11,590 |
| Accruals and deferred income | 28,927 | 27,389 |
| | <u>40,352</u> | <u>42,724</u> |

| | 2018/19 | 2017/18 |
|-------------------------------------|---------------|---------------|
| | £ | £ |
| Deferred income at 1 September 2018 | 18,864 | 20,575 |
| Released from previous years | (18,864) | (20,575) |
| Resources deferred in the year | 18,737 | 18,864 |
| Deferred income at 31 August 2019 | <u>18,737</u> | <u>18,864</u> |

At the balance sheet date the academy trust was holding funds received in advance for UIFSM and Rates Relief grants for the forthcoming year.

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

14 Funds

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | Balance at 31 August 2019 £ |
|-------------------------------------|--|----------------|--------------------|----------------|--------------------------|--------------------------------------|
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 67,169 | 758,778 | (733,621) | (3,614) | - | 88,712 |
| Pupil Premium | - | 43,088 | (43,088) | - | - | - |
| Other DfE/ESFA grants | - | 42,579 | (42,579) | - | - | - |
| Other government grants | - | 8,025 | (8,025) | - | - | - |
| Other educational activities | - | 73,942 | (73,942) | - | - | - |
| | 67,169 | 926,412 | (901,255) | (3,614) | - | 88,712 |
| Pension reserve | (654,000) | - | (105,000) | - | (260,000) | (1,019,000) |
| | (586,831) | 926,412 | (1,006,255) | (3,614) | (260,000) | (930,288) |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 1,206,490 | - | (27,078) | 7,741 | - | 1,187,153 |
| DfE Group capital grants (DFC) | 8,265 | 15,261 | - | (4,127) | - | 19,399 |
| Other capital grants | 34,252 | - | - | - | - | 34,252 |
| | 1,249,007 | 15,261 | (27,078) | 3,614 | - | 1,240,804 |
| Total restricted funds | 662,176 | 941,673 | (1,033,333) | - | (260,000) | 310,516 |
| Total unrestricted funds | 20,886 | 886 | - | - | - | 21,772 |
| Total funds | 683,062 | 942,559 | (1,033,333) | - | (260,000) | 332,288 |

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

14 Funds (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy trust on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

14 Funds (continued)

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

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | Balance at 31 August 2018 £ |
|-------------------------------------|--|----------------|------------------|----------------|--------------------------|--------------------------------------|
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 45,440 | 763,376 | (741,647) | - | - | 67,169 |
| Pupil Premium | - | 36,740 | (36,740) | - | - | - |
| Other DfE/ESFA grants | - | 32,338 | (32,338) | - | - | - |
| Other government grants | - | 15,897 | (15,897) | - | - | - |
| Other educational activities | - | 49,676 | (49,676) | - | - | - |
| | 45,440 | 898,027 | (876,298) | - | - | 67,169 |
| Pension reserve | (697,000) | - | (59,000) | - | 102,000 | (654,000) |
| | (651,560) | 898,027 | (935,298) | - | 102,000 | (586,831) |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 1,236,179 | - | (29,689) | - | - | 1,206,490 |
| DfE Group capital grants (DFC) | 2,139 | 6,126 | - | - | - | 8,265 |
| Other capital grants | 34,252 | - | - | - | - | 34,252 |
| | 1,272,570 | 6,126 | (29,689) | - | - | 1,249,007 |
| Total restricted funds | 621,010 | 904,153 | (964,987) | - | 102,000 | 662,176 |
| Total unrestricted funds | 19,665 | 1,221 | - | - | - | 20,886 |
| Total funds | 640,675 | 905,374 | (964,987) | - | 102,000 | 683,062 |

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

15 Analysis of net assets between funds

| | Un-restricted funds | Restricted general funds | Restricted pension funds | Restricted fixed asset funds | Total funds |
|--------------------------|---------------------|--------------------------|--------------------------|------------------------------|----------------|
| | £ | £ | £ | £ | £ |
| Tangible fixed assets | - | - | - | 1,187,153 | 1,187,153 |
| Current assets | 21,772 | 129,064 | - | 53,651 | 204,487 |
| Current liabilities | - | (40,352) | - | - | (40,352) |
| Pension scheme liability | - | - | (1,019,000) | - | (1,019,000) |
| Total net assets | 21,772 | 88,712 | (1,019,000) | 1,240,804 | 332,288 |

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

| | Un-restricted funds | Restricted general funds | Restricted pension funds | Restricted fixed asset funds | Total funds |
|--------------------------|---------------------|--------------------------|--------------------------|------------------------------|----------------|
| | £ | £ | £ | £ | £ |
| Tangible fixed assets | - | - | - | 1,206,490 | 1,206,490 |
| Current assets | 20,886 | 109,893 | - | 42,517 | 173,296 |
| Current liabilities | - | (42,724) | - | - | (42,724) |
| Pension scheme liability | - | - | (654,000) | - | (654,000) |
| Total net assets | 20,886 | 67,169 | (654,000) | 1,249,007 | 683,062 |

16 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2018/19 | 2017/18 |
|--|--------------|------------|
| | £ | £ |
| Amounts due within one year | 758 | 452 |
| Amounts due between one and five years | 1,509 | 17 |
| | 2,267 | 469 |

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

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

| | 2018/19 | 2017/18 |
|--|---------------|---------------|
| | £ | £ |
| Net expenditure for the reporting period | (90,774) | (59,613) |
| Adjusted for: | | |
| Depreciation | 27,078 | 29,689 |
| Defined benefit pension scheme cost less contributions payable | 86,000 | 41,000 |
| Defined benefit pension scheme finance cost | 19,000 | 18,000 |
| (Increase) / decrease in debtors | (2,247) | 220 |
| (Decrease) / increase in creditors | (2,372) | 1,495 |
| Net cash provided by Operating Activities | <u>36,685</u> | <u>30,791</u> |

18 Cash flows from investing activities

| | 2018/19 | 2017/18 |
|---|----------------|----------|
| | £ | £ |
| Purchase of tangible fixed assets | (7,741) | - |
| Net cash (used in) / provided by investing activities | <u>(7,741)</u> | <u>-</u> |

19 Analysis of cash and cash equivalents

| | 2018/19 | 2017/18 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Cash in hand and at bank | <u>182,648</u> | <u>153,704</u> |

20 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.

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

21 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

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

The Teachers' Pension budgeting and valuation account

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

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

Valuation of the Teachers' Pension Scheme

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

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

21 Pension and similar obligations (continued)

Scheme changes

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

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

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

The employer's pension costs paid to TPS in the period amounted to £54,332 (2018: £51,423).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was as follows:

| | 2019 | 2018 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Employer's contributions | 54,000 | 51,000 |
| Employees' contributions | 13,000 | 13,000 |
| | <u>67,000</u> | <u>64,000</u> |

The agreed contribution rates for future years are 23.5% for employers and 5.5% to 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

21 Pension and similar obligations (continued)

Principal actuarial assumptions

| | 2019 | 2018 |
|--|------|------|
| Rate of increase in salaries | 2.7% | 2.8% |
| Rate of increase for pensions in payment/inflation | 2.3% | 2.4% |
| Discount rate for scheme liabilities | 1.8% | 2.8% |

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

| | 2019 | 2018 |
|-----------------------------|------|------|
| <i>Retiring today</i> | | |
| Males | 22.3 | 22.3 |
| Females | 24.7 | 24.7 |
| <i>Retiring in 20 years</i> | | |
| Males | 23.9 | 23.9 |
| Females | 26.5 | 26.5 |

Sensitivity analysis

| | Increase/(reduction) in defined benefit obligation | |
|-----------------------------|--|---------|
| | 2019 | 2018 |
| | £ | £ |
| Discount rate -0.5% | 182,000 | 138,000 |
| Salary increase rate +0.5% | 18,000 | 21,000 |
| Pension increase rate +0.5% | 164,000 | 115,000 |

The academy trust's share of the assets in the scheme were:

| | 2019 | 2018 |
|------------------------------|---------|---------|
| | £ | £ |
| Equities | 535,000 | 480,000 |
| Property | 48,000 | 42,000 |
| Corporate bonds | 215,000 | 176,000 |
| Cash | - | 7,000 |
| Total market value of assets | 798,000 | 705,000 |

The actual return on scheme assets was £44,000 (2018: £37,000).

Northwood Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

21 Pension and similar obligations (continued)

Amount recognised in the Statement of Financial Activities

| | 2018/19 | 2017/18 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Current service cost | 90,000 | 92,000 |
| Past service cost | 50,000 | - |
| Interest income | (20,000) | (16,000) |
| Interest cost | 39,000 | 34,000 |
| Total amount recognised in the SOFA | <u>159,000</u> | <u>110,000</u> |

The past service cost represents an actuarial estimate of the additional underpin liability arising as a result of the McCloud/Sargeant judgement in December 2018 and the Supreme Court's decision not to allow the Government an appeal on 27 June 2019.

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

| | 2018/19 | 2017/18 |
|-------------------------|-------------------------|-------------------------|
| | £ | £ |
| At 1 September | 1,359,000 | 1,322,000 |
| Current service cost | 90,000 | 92,000 |
| Interest cost | 39,000 | 34,000 |
| Employee contributions | 13,000 | 13,000 |
| Actuarial loss / (gain) | 284,000 | (81,000) |
| Benefits paid | (18,000) | (21,000) |
| Past service cost | 50,000 | - |
| At 31 August | <u>1,817,000</u> | <u>1,359,000</u> |

Changes in the fair value of academy trust's share of scheme assets:

| | 2018/19 | 2017/18 |
|------------------------|-----------------------|-----------------------|
| | £ | £ |
| At 1 September | 705,000 | 625,000 |
| Interest income | 20,000 | 16,000 |
| Actuarial gain | 24,000 | 21,000 |
| Employer contributions | 54,000 | 51,000 |
| Employee contributions | 13,000 | 13,000 |
| Benefits paid | (18,000) | (21,000) |
| At 31 August | <u>798,000</u> | <u>705,000</u> |

22 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 9.