

**Northwood Park Educational Trust**

**Trustees report and financial statements**

**For the year ended 31 August 2017**

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

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**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Reference and administrative details**  
**For the year ended 31 August 2017**

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<b>Members</b>	C Nightingale (resigned 6 April 2017) C Tagg G Bladon M McManus (appointed 6 April 2017) T Westwood (appointed 6 April 2017)
<b>Trustees</b>	C Tagg, Chair C Nightingale, Vice Chair G Morris G Bladon G Draycott (resigned 6 April 2017) M McManus (resigned 6 April 2017) C Pook G Gentle (appointed 3 May 2017)
<b>Company registered number</b>	09341839
<b>Company name</b>	Northwood Park Educational Trust
<b>Principal and registered office</b>	Collingwood Road Bushbury Wolverhampton West Midlands WV10 8DS
<b>Company secretary</b>	G Draycott
<b>Senior management team</b>	G Morris, Executive Head Teacher G Draycott, Business Director M Price, Acting Associate Head Teacher (NPPS) N Boys, Head of School (LF) R Joannou, Head of School (NPPS)
<b>Independent auditors</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 August 2017**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Northwood Park Primary School converted as a standalone academy on 1 January 2015. As a result of our outstanding data, ethos and ambitious plans for development, we were selected as a Sponsor for Lodge Farm Primary School (formerly Lodge Farm JMI) and together formed a Multi Academy Trust (MAT), known as Northwood Park Educational Trust, on 1 April 2016.

**Structure, governance and management**

**a. Constitution**

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

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Northwood Park Educational Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Northwood Park Educational Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

**b. Members' liability**

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

**c. Method of recruitment and appointment or election of Trustees**

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Parent elections take place when parent Governor vacancies are available. Governors are co-opted by the Board of Trustees where skills gaps are identified.

Prior to the conversion from standalone academy to Multi Academy Trust on 1 April 2016, Trust Members carried out a skills audit to assess gaps in Trustee and Governor knowledge. As a result of the skills audit, existing Trustees were allocated roles on either the Board of Trustees or the Local Governing Body. New Trustees were appointed to ensure that any skills gaps identified during the audit were filled. Regular training and skills updates are available to all Trustees and Governors.

**d. Policies and procedures adopted for the induction and training of Trustees**

The Trust purchases a Governance SLA which includes a full training programme for Trustees. All Trustees receive details of the training available. New Trustees are invited to visit the school and meet with any link staff relevant to their role on the Governing Body.

**e. Organisational structure**

Northwood Park Primary School was a standalone academy until 31 March 2016, when it became a Multi Academy Trust, following the successful sponsorship of Lodge Farm Primary School.

Following the conversion to Multi Academy Trust status, significant changes were made to the Governance structure, ensuring that the Trust was in the best possible position to drive the academies forward.

The Board of Trustees consists of highly skilled Directors, who are responsible for establishing an overall framework for the governance of the academies. The Board of Trustees has overall responsibility for setting general policy, adopting an annual plan and budget, monitoring the use of the budget, making strategic decisions about the direction of the company and senior staff appointments.

Trustees meet at least termly, and acted as a Local Governing Body for Lodge Farm Primary School, in advance of a suitable Governing Body being established in October 2017.

Northwood Park Primary School has an established Local Governing Body, with delegated authorities to Local Governing Body Committees.

The Trust's Executive Head Teacher is the Accounting Officer and the Trustees are responsible for the performance management of the Executive Head Teacher.

**f. Arrangements for setting pay and remuneration of key management personnel**

The Board of Trustees adopts a Pay Policy which is reviewed on an annual basis. The Governing Body is involved in the recruitment process for all Leadership positions and the staffing structure is reviewed annually. A Pay Committee, made up of three independent Trustees, reviews pay for all staff on an annual basis.

**Objectives and Activities**

**a. Objects and aims**

It is our overall aim to raise the standards of education for all children at both Northwood Park Primary School and Lodge Farm Primary School, and to promote continuous improvement.

We achieve this by making a firm commitment to achieving Best Value in all areas. We will strive to demonstrate economy, efficiency and effectiveness. We will:

<b>Challenge</b>	why, how and by whom an activity is carried out
<b>Compare</b>	performance against other schools and between parts of each school
<b>Consult</b>	involving stakeholders, especially pupils and parents
<b>Compete</b>	as a means of securing efficient and effective services

**Northwood Park Educational Trust**  
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**Trustees' report (continued)**  
**For the year ended 31 August 2017**

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**b. Objectives, strategies and activities**

Northwood Park Educational Trust aims to provide a balanced and broad curriculum, based around the five outcomes of 'Every Child Matters' which:

- promotes the spiritual, moral, cultural, mental and physical development of pupils at school and in society.
- prepares pupils for the opportunities, responsibilities and experience of adult life.

We recognise and fully subscribe to the following principles that, within the primary school ethos, staff at Northwood Park Educational Trust aim to:

- provide all pupils with access to a broad and balanced range of educational opportunities whatever their sex, race, ethnicity, or special circumstances;
- promote the development of each pupil's intellectual, social, emotional, spiritual, aesthetic, creative, moral, ethical and physical attributes;
- offer a curriculum which enables pupils to develop the ability and commitment to participate as actively and constructively as possible in society;
- take proper account in the educational process of other influences to which young people are exposed by their own cultures, communities and society;
- nurture inventiveness, originality and creativity at all stages of the educational process and encourage children and staff to work together to ensure the highest possible standards of work and behaviour.

We also fully support the notion of entitlement within the education service, the entitlement to a good quality education, particularly the entitlement of each child to a full and varied educational career.

To help fulfil these aims, the Trustees, governors and school have provided significant extra classroom support to help meet the needs of the integrated pupils and also to release all teachers in order that they can monitor and manage their curriculum areas, support colleagues and improve standards.

**c. Public benefit**

The Trustees confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

**Achievements and performance**

**a. Review of activities and key performance indicators**

Pupils across the Academy are performing above national in most areas.

**Northwood Park Primary School (NPPS) - Attainment**

Phase	Subject	School	National	Difference
Foundation Stage	Good Level of Development	74%	71%	+3%
Year 1	Phonics	88%	81%	+7%
KS1	Reading Expected Standard	81%	76%	+5%
	Writing Expected Standard	74%	68%	+6%
	Maths Expected Standard	86%	75%	+11%
	Combined Expected Standard	73%	75%	-2%
KS2	Reading Scaled Score 100+	81%	71%	+10%
	Writing Expected Standard	90%	76%	+14%
	Maths Scaled Score 100+	84%	75%	+9%
	Grammar Scaled Score 100+	81%	77%	+4%
	Reading, Writing & Maths combined Expected Standard+	74%	61%	+13%
	Reading, Writing & Maths combined High Standard	3%	5%	-2%

Key performance indicators that NPPS assess to analyse the performance of the school:

**Monitoring**

The monitoring of standards of attainment, pupils' progress, teaching and learning, the curriculum and all other aspects of school life is an important responsibility to which we will give high priority. An effective monitoring strategy will be a key part of our management structure that will enable us to carry out data analysis, evaluate processes and outcomes, evaluate, review, plan and set targets to enable the school to make good progress and improve and raise the standard of achievement of all its pupils.

The information from monitoring will be used by governors, working with the Head Teacher, to set the educational priorities of our School Development and Improvement Plan. We also aim to keep governors and parents well informed about the work of the school. Monitoring leads to evaluation and planned action so that we can continually improve and develop as a school. Each year we consider how we are currently performing and from this we prioritise those areas which are to become targets within the SDIP. Each target within the SDIP is monitored and evaluated against success criteria.

For Monitoring to be effective in leading to improvement, we believe it must be set in a positive climate, include frequent and positive feedback, identify and use strengths of Staff, be set against specific targets and refer to intended outcomes including pupils' achievements and improvements in the classroom.

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 August 2017**

**a. Review of activities and key performance indicators (continued)**

**ASP**

Scrutiny of this data published in November, along with the Inspection Dashboard, will feed into the self evaluation process and development planning. All outcomes are shared with all stakeholders.

**Numbers on roll**

The popularity of NPPS continues to grow. Numbers on roll have grown from 569 pupils to 595 within the year.

**Attendance**

Attendance figures have improved year on year.

**Lodge Farm Primary School ("Lodge Farm") - Attainment**

Phase	Subject	School	National	Difference
Foundation Stage	Good Level of Development	55%	71%	-16%
Year 1	Phonics	75%	81%	-6%
KS1	Reading Expected Standard	75%	76%	-1%
	Writing Expected Standard	68%	73%	+5%
	Maths Expected Standard	64%	73%	-9%
	Combined Expected Standard	64%	75%	-9%
KS2	Reading Scaled Score 100+	60%	71%	-11%
	Writing Expected Standard	78%	76%	+2%
	Maths Scaled Score 100+	64%	75%	-9%
	Grammar Scaled Score 100+	78%	77%	+1%
	Reading, Writing & Maths combined Expected Standard+	53%	61%	-8%

**a. Review of activities and key performance indicators (continued)**

Key performance indicators that Lodge Farm assess to analyse the performance of the school:

**Monitoring**

The monitoring of standards of attainment, pupils' progress, teaching and learning, the curriculum and all other aspects of school life is an important responsibility to which we will give high priority. An effective monitoring strategy will be a key part of our management structure that will enable us to carry out data analysis, evaluate processes and outcomes, evaluate, review, plan and set targets to enable the school to make good progress and improve and raise the standard of achievement of all its pupils.

The information from monitoring will be used by governors, working with the Head Teacher, to set the educational priorities of our School Development and Improvement Plan. We also aim to keep governors and parents well informed about the work of the school. Monitoring leads to evaluation and planned action so that we can continually improve and develop as a school. Each year we consider how we are currently performing and from this we prioritise those areas which are to become targets within the SDIP. Each target within the SDIP is monitored and evaluated against success criteria.

For Monitoring to be effective in leading to improvement, we believe it must be set in a positive climate, include frequent and positive feedback, identify and use strengths of Staff, be set against specific targets and refer to intended outcomes including pupils' achievements and improvements in the classroom.

**ASP**

Scrutiny of this data published in November 2017, along with the Inspection Dashboard, will feed into the self evaluation process and development planning. All outcomes are shared with all stakeholders.

**Numbers on roll**

Numbers on roll for Lodge Farm are 335.

**Attendance**

Attendance figures have improved year on year.

**b. Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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 Accounting Policies.

## **Financial review**

### **a. Review of financial performance**

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE and these are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the academy's accounting policies.

During the year ended 31 August 2017, total expenditure (before depreciation and movements on the pension reserve) of £4,228,043 was covered by recurrent grant funding from the DfE, together with other incoming resources of £4,487,878. The excess of income over expenditure before depreciation, transfers and pension reserve movements for the year was £259,835.

At 31 August 2017, the net book value of fixed assets was £3,067,492 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme) which is set out in Note 22 to the financial statements, represents a significant potential liability. However, as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Key financial policies adopted or reviewed during the period include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, senior leaders, budgets holders and other staff, as well as delegated authority for spending.

### **b. Principal risks and uncertainties**

The principal risks facing the Academy are as follows:

- damage to Academy building, e.g. flooding/fire
- late payment of grant funding impacting on cash flow
- long-term illness of Head Teacher or key personnel
- available school places cannot meet demand
- loss of teaching staff to higher paid posts

**Northwood Park Educational Trust**  
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**Trustees' report (continued)**  
**For the year ended 31 August 2017**

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**c. Financial risk management objectives and policies**

The Academy is developing a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Governors and include the financial risks to the Academy. The register and plan will be formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finance, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy has an adequate intake of pupils, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at the Finance, General Purposes, Site, Personnel and Audit meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known anticipated commitments.

At the period end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

**d. Reserves policy**

The Governors review the reserve levels of the Academy termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

At 31 August 2017, the Academy had free reserves of £852,618 (2016 - £639,328), fixed asset reserves of £3,067,492 (2016 - £3,118,200) which can only be realised by disposing of tangible fixed assets, and a pension reserve in deficit of £2,579,000 (2016 - £2,123,000).

**Plans for future periods**

**a. Future developments**

Northwood Park Educational Trust is a growing Trust, currently consisting of two Primary schools. It is the Trust's intention to support further schools in the future, following the successful and rapid improvements at Lodge Farm Primary School.

Each school has a school improvement plan, which clearly outlines objectives and priorities. The Leadership Team and Trustees continually measure performance, ensuring high standards at all times.

Mrs Gillian Morris was awarded National Leader in Education (NLE) status in July 2017 and Northwood Park Primary School is a National Support School (NSS).

**Funds held as custodian**

The Trust does not hold any funds as custodian.

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**Trustees' report (continued)**  
**For the year ended 31 August 2017**

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**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Auditors**

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 8 December 2017 and signed on its behalf by:



**C Tagg**  
**Chair of Trustees**



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**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Governance Statement**

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**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Northwood Park Educational 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 Executive Head Teacher, 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 Park Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Tagg, Chair	5	8
C Nightingale, Vice Chair	7	8
G Morris	8	8
G Bladon	8	8
G Draycott (resigned 6 April 2017)	5	5
M McManus (resigned 6 April 2017)	2	5
C Pook	6	8
G Gentle (appointed 3 May 2017)	1	2

In April 2017, the Trust Members completed a review of Governance with a view to future growth. Changes were made to both the Members and Trustees of the Trust following a review of skills. New Members and Trustees have been appointed to ensure that any skills gaps identified during the review were filled. Regular training and skills updates are available to all Trustees and Governors.

The Finance, General Purposes, Site Personnel and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to be responsible for budget monitoring, strategic health and safety, staffing matters and issues around the building.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Bladon	3	3
G Draycott	3	3
M McManus	2	3
G Morris	3	3
C Nightingale	2	3
C Pook	3	3
C Tagg	3	3

**Governance Statement (continued)**

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**Review of Value for Money**

As Accounting Officer, the Executive Head Teacher has responsibility for ensuring that the Academy 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'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 has delivered improved value for money during the year by:

During the last financial year, Northwood Park Educational Trust has continued to take steps to ensure that children receive the best education whilst achieving best value with the funding available.

Using the School Development Plans, the Trust has ensured that there is a continued focus on key areas which has included ensuring the academies successfully work to the curriculum.

The academies have continued to improve on results across both schools in all areas. A review of the organisational structure is conducted annually, and reviewed throughout the year to ensure that our resources are used effectively. A full budget review is conducted every half term.

Income is generated from parents for school trips, dinners, breakfast club and music exams. All schools use ParentPay, ensuring that the schools are cashless and processes are robust.

Northwood Park Educational Trust has robust financial procedures in place and staff are fully trained and competent in the processes, which are duplicated in both academies. The academies have successfully implemented free school meals for all Key Stage 1 and Foundation Stage children and the kitchen now provides over 430 nutritional meals a day.

The Trust has produced a detailed financial analysis of how the pupil premium funding was spent and the impact of the funding for individual pupils which is available on the schools website.

The Trust has internal controls in place to ensure strict financial procedures are followed. A Responsible Officer is appointed to make independent checks. The management receives regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste. Bank balances are carefully monitored. The last internal audit for each academy deemed processes to be outstanding.

The Trust purchases a commercial insurance package and also a staff absence insurance to ensure it has adequate cover to manage risks.

The Trust regularly applies for suitable additional funding.

There is a constant desire within the trust to improve through better systems that lead to better outcomes for pupils and achieving best value is key to our success.

**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 ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Park Educational Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**Northwood Park Educational Trust**  
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**Governance Statement (continued)**

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**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

The Academy'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, General Purposes, Site Personnel and Audit 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 Trustees have appointed M3 to perform additional checks.

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

- Payroll
- Purchasing
- Income
- Budget planning and control

The reviewer has carried out their schedule of work as planned and have not identified any material control issues.

On an annual basis, the reviewer reports to the Board of Trustees through the Finance, General Purposes, Site Personnel and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**Governance Statement (continued)**

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**Review of Effectiveness**

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 reviewer 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 8 December 2017 and signed on their behalf, by:



**C Tagg**  
**Chair of Trustees**



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**G Morris**  
**Accounting Officer**

**Northwood Park Educational Trust**  
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**Statement on Regularity, Propriety and Compliance**

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As Accounting Officer of Northwood Park Educational Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 2016.

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 2016.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date has been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of trustees and ESFA:

Lodge Farm Primary School was subject to vandalism and a break-in on 6 March 2017. During the early hours of the morning, thieves broke into the secure/strong room within the school, which contained the server. The server was backed up in two places. The first back up was stolen during the same incident and the second back up had a manufacturing fault, causing corruption. The last available data back up was from August 2016. All data on the lost server was fully encrypted.

In terms of financial processes, the school has taken all possible steps to provide an accurate data picture. Copy purchase invoices were sought and re-reconciled to bank accounts, payments and remittances. M3 Academy Audit Services were used in April 2017 to verify processes and provide assurance to Trustees that the core financial data has been re-inputted accurately. A further internal audit by M3 was conducted on our general policies and procedures in July 2017 which resulted in a 'Good' judgement being given. Despite the positive result of restoring the financial data, certain records have been permanently lost and as a result the Trust has been unable to evidence it has adhered to its financial policies and procedures for the transactions undertaken within Lodge Farm for the period the data has been lost.

The incident was reported to the Education and Skills Funding Agency and the Information Commissioners Office, who both concluded that the school had taken all reasonable steps to secure the data and agreed no further action. The process for backing up data has been changed to ensure that data is off site and regularly checked for accuracy.



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**G Morris**  
**Accounting Officer**

Date: 8 December 2017

**Northwood Park Educational Trust**  
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**Statement of Trustees' responsibilities**  
**For the year ended 31 August 2017**

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The Trustees (who act as governors of Northwood Park Educational Trust and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 8 December 2017 and signed on its behalf by:



**C Tagg**  
**Chair of Trustees**

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Independent auditors' report on the financial statements to the members of Northwood Park Educational Trust**

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**Opinion**

We have audited the financial statements of Northwood Park Educational Trust for the year ended 31 August 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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'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 Park Educational Trust**  
**(A company limited by guarantee)**

**Independent auditors' report on the financial statements to the members of Northwood Park Educational Trust**

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**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. Our opinion on the financial statements does not cover the 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 which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Academy 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Independent auditors' report on the financial statements to the members of Northwood Park Educational Trust**

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**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy 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'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's or to cease operations, or have no realistic alternative but to do so.

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

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

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

Julian Townsend ACA FCCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham  
8 December 2017

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Independent reporting accountants' assurance report on regularity to Northwood Park Educational Trust and the Education and Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 31 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northwood Park Educational Trust during the year 1 September 2016 to 31 August 2017 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 Northwood Park Educational Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Northwood Park Educational 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 Northwood Park Educational Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Northwood Park Educational Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Northwood Park Educational Trust's funding agreement with the Secretary of State for Education dated 31 March 2016, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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's income and expenditure.

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Independent reporting accountants' assurance report on regularity to Northwood Park Educational Trust and the Education and Skills Funding Agency (continued)**

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**Conclusion**

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- As disclosed by the Accounting Officer within her report on regularity, propriety and compliance, an unfortunate incident of theft left the Trust with certain documents and records permanently lost and as a result was unable to evidence with adequate support that the financial policies and procedures were followed for the transactions occurring within Lodge Farm Primary School for the period of the lost data. Appropriate steps were taken at the time by the Trust and subsequent action has been taken to mitigate this risk in the future.

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

8 December 2017

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Statement of financial activities incorporating income and expenditure account**  
**For the year ended 31 August 2017**

	Note	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>						
Donations & capital grants:						
Transfer from local authority on conversion	2	-	-	-	-	815,732
Other donations and capital grants	2	46,414	-	20,093	66,507	32,312
Charitable activities:						
Funding for Academy's educational operations	3	14,971	4,412,929	-	4,427,900	3,494,712
Other trading activities	4	13,118	-	-	13,118	23,361
Investments	5	446	-	-	446	633
<b>Total income</b>		<b>74,949</b>	<b>4,412,929</b>	<b>20,093</b>	<b>4,507,971</b>	<b>4,366,750</b>
<b>Expenditure on:</b>						
Raising funds	7	1,280	-	-	1,280	1,285
Charitable activities		43,378	4,353,385	117,346	4,514,109	3,097,358
<b>Total expenditure</b>	6	<b>44,658</b>	<b>4,353,385</b>	<b>117,346</b>	<b>4,515,389</b>	<b>3,098,643</b>
<b>Net income / (expenditure) before transfers</b>		<b>30,291</b>	<b>59,544</b>	<b>(97,253)</b>	<b>(7,418)</b>	<b>1,268,107</b>
Transfers between Funds	18	-	(46,545)	46,545	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>30,291</b>	<b>12,999</b>	<b>(50,708)</b>	<b>(7,418)</b>	<b>1,268,107</b>
Actuarial losses on defined benefit pension schemes	15	-	(286,000)	-	(286,000)	(745,000)
<b>Net movement in funds</b>		<b>30,291</b>	<b>(273,001)</b>	<b>(50,708)</b>	<b>(293,418)</b>	<b>523,107</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		158,373	(1,642,045)	3,118,200	1,634,528	1,111,421
<b>Total funds carried forward</b>		<b>188,664</b>	<b>(1,915,046)</b>	<b>3,067,492</b>	<b>1,341,110</b>	<b>1,634,528</b>

Northwood Park Educational Trust  
(A company limited by guarantee)  
Registered number: 09341839

Balance sheet  
As at 31 August 2017

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	15		3,067,492		3,118,200
<b>Current assets</b>					
Debtors	16	318,299		175,511	
Cash at bank and in hand		892,658		740,635	
		<u>1,210,957</u>		<u>916,146</u>	
<b>Creditors:</b> amounts falling due within one year	17	(358,339)		(276,818)	
<b>Net current assets</b>			<u>852,618</u>		<u>639,328</u>
<b>Total assets less current liabilities</b>			<u>3,920,110</u>		<u>3,757,528</u>
Defined benefit pension scheme liability	22	(2,579,000)		(2,123,000)	
<b>Net assets including pension scheme liabilities</b>			<u>1,341,110</u>		<u>1,634,528</u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	18	663,954		480,955	
Restricted fixed asset funds	18	3,067,492		3,118,200	
Restricted income funds excluding pension liability		<u>3,731,446</u>		<u>3,599,155</u>	
Pension reserve		(2,579,000)		(2,123,000)	
Total restricted income funds			<u>1,152,446</u>		<u>1,476,155</u>
Unrestricted income funds	18		<u>188,664</u>		<u>158,373</u>
<b>Total funds</b>			<u>1,341,110</u>		<u>1,634,528</u>

The financial statements on pages 22 to 48 were approved by the Trustees, and authorised for issue, on 8 December 2017 and are signed on their behalf, by:



C Tagg  
Chair of Trustees



The notes on pages 25 to 48 form part of these financial statements.

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the year ended 31 August 2017**

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	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<u>198,121</u>	<u>304,432</u>
<b>Cash flows from investing activities:</b>			
Interest receivable		446	633
Purchase of tangible fixed assets		(66,637)	(105,778)
Capital grants from DfE/ESFA and other capital income		<u>20,093</u>	<u>9,300</u>
<b>Net cash used in investing activities</b>		<u>(46,098)</u>	<u>(95,845)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>152,023</b>	<b>208,587</b>
Cash and cash equivalents brought forward		<u>740,635</u>	<u>532,048</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>892,658</u></u>	<u><u>740,635</u></u>

**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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Northwood Park Educational Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

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

**1. Accounting policies (continued)**

**1.3 Income**

All income is recognised once the Academy 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 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 are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the rental income, 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.

**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.

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

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

All expenditure is inclusive of irrecoverable VAT.

**1. Accounting policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £500 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 and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long-term leasehold property	-	2% straight line
Long-term leasehold land	-	over 125 year lease term
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

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

**1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.8 Debtors**

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

**1.9 Cash at Bank and in hand**

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

**1. Accounting policies (continued)**

**1.10 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 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.

**1.11 Financial instruments**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 note 17. 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.

**1.12 Taxation**

The Academy 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 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.

**1.13 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 Education and Skills Funding Agency and Department for Education.

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2017**

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**1. Accounting policies (continued)**

**1.14 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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.

**1. Accounting policies (continued)**

**1.15 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

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

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from local authority on conversion	-	-	-	-	815,732
Donations	10,444	-	-	10,444	13,031
Educational visits	35,970	-	-	35,970	9,981
Capital grants	-	-	20,093	20,093	9,300
Subtotal	46,414	-	20,093	66,507	32,312
	46,414	-	20,093	66,507	848,044
<i>Total 2016</i>	23,013	(712,000)	1,537,032	848,045	

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2017**

**3. Funding for Academy's educational operations**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	3,479,343	3,479,343	2,672,451
Start Up Grants	-	-	-	70,000
Pupil Premium	-	491,212	491,212	350,175
Universal Infant Free School Meals Grant	-	74,728	74,728	64,839
PE Grant	-	19,515	19,515	13,876
Rates relief	-	3,285	3,285	3,721
Baseline funding	-	-	-	342
	<u>-</u>	<u>4,068,083</u>	<u>4,068,083</u>	<u>3,175,404</u>
<b>Other government grants</b>				
Special needs income	-	21,284	21,284	2,903
Local authority grants	-	168,887	168,887	144,797
Pupil premium	-	3,000	3,000	14,902
MAT pool funding	-	-	-	29,977
Other funding	-	-	-	1,690
Department for Work and Pensions grant	-	29,000	29,000	-
	<u>-</u>	<u>222,171</u>	<u>222,171</u>	<u>194,269</u>
<b>Other funding</b>				
Examination fees	-	-	-	733
Catering income	-	35,542	35,542	23,210
Insurance claims	-	87,133	87,133	33,905
Teacher training	-	-	-	7,000
School support income	715	-	715	52,420
Extended school activities	14,256	-	14,256	7,771
	<u>14,971</u>	<u>122,675</u>	<u>137,646</u>	<u>125,039</u>
	<u>14,971</u>	<u>4,412,929</u>	<u>4,427,900</u>	<u>3,494,712</u>
<i>Total 2016</i>	<u>94,829</u>	<u>3,399,883</u>	<u>3,494,712</u>	

**Northwood Park Educational Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 August 2017**

**4. Other trading activities**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Music income	2,754	-	2,754	1,086
General sales income	1,873	-	1,873	12,986
Fundraising activities	7,007	-	7,007	9,074
Rental income	1,484	-	1,484	215
	<u>13,118</u>	<u>-</u>	<u>13,118</u>	<u>23,361</u>
<i>Total 2016</i>	<u>23,361</u>	<u>-</u>	<u>23,361</u>	

**5. Investment income**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	446	-	446	633
<i>Total 2016</i>	<u>633</u>	<u>-</u>	<u>633</u>	

**6. Expenditure**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	1,280	1,280	1,285
Activities:					
Direct costs	2,793,334	57,006	423,751	3,274,091	2,172,022
Support costs	472,851	292,136	475,031	1,240,018	925,336
	<u>3,266,185</u>	<u>349,142</u>	<u>900,062</u>	<u>4,515,389</u>	<u>3,098,643</u>
<i>Total 2016</i>	<u>2,240,924</u>	<u>207,537</u>	<u>650,182</u>	<u>3,098,643</u>	

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**For the year ended 31 August 2017**

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**7. Costs of raising funds**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted general funds 2017 £</b>	<b>Total funds 2017 £</b>	<b>Total funds 2016 £</b>
Cost of goods for resale	<b>1,280</b>	<b>-</b>	<b>1,280</b>	<b>1,285</b>
<i>Total 2016</i>	<b>1,285</b>	<b>-</b>	<b>1,285</b>	

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**8. Charitable activities**

	<b>Total funds 2017 £</b>	<b>Total funds 2016 £</b>
<b>Direct costs</b>		
Wages and salaries	2,062,051	1,550,008
National insurance	184,562	122,686
Pension cost	434,540	202,227
Depreciation	110,409	69,211
LGPS finance costs	45,000	35,000
Educational supplies	194,366	95,815
Staff development	26,913	17,585
Technology costs	30,082	2,936
Educational consultancy	66,396	36,122
Supply teachers	112,481	30,490
Other direct costs	7,291	9,942
	<u>3,274,091</u>	<u>2,172,022</u>
<b>Support costs</b>		
Wages and salaries	328,954	241,020
National insurance	21,170	14,264
Pension cost	122,727	80,229
Loss on disposal of assets	6,937	-
Technology costs	15,158	26,631
Professional and consultancy services	140,824	95,612
Catering costs	214,246	194,305
Educational visits cost	35,691	45,698
Maintenance	100,014	23,835
Cleaning	18,485	16,741
Rates	12,239	3,110
Water rates	13,425	10,193
Energy	60,087	49,545
Insurance	87,886	63,630
Motor and travel costs	6,377	5,739
Postage, stationery, telephone	43,545	25,714
Governance costs	12,253	29,070
	<u>1,240,018</u>	<u>925,336</u>
	<u><u>4,514,109</u></u>	<u><u>3,097,358</u></u>

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**9. Expenditure - Analysis of specific expenses**

Included within expenditure are the following transactions:

	<b>Total</b>	<b>Individual items above £5,000</b>	
	<b>£</b>	<b>Amount</b>	<b>Reason</b>
		<b>£</b>	
Fixed asset losses	<b>6,937</b>	-	-

This loss is covered by the Trust's insurance, subject to a £250 excess.

**10. Net income/(expenditure)**

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>110,408</b>	69,211
Auditors' remuneration	<b>8,450</b>	7,250
Auditors' remuneration - non-audit	<b>750</b>	1,875
	<b>120,608</b>	78,336

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**11. Staff costs**

Staff costs were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,391,005</b>	1,791,028
Social security costs	<b>205,732</b>	136,950
Operating costs of defined benefit pension schemes	<b>557,267</b>	282,456
	<hr/>	<hr/>
	<b>3,154,004</b>	2,210,434
Supply teacher costs	<b>112,181</b>	30,490
	<hr/>	<hr/>
	<b>3,266,185</b>	2,240,924
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Management	<b>2</b>	2
Teachers	<b>42</b>	42
Teaching assistants	<b>39</b>	36
Administration and clerical	<b>5</b>	5
Site staff	<b>16</b>	15
Lunchtime supervisors	<b>23</b>	30
	<hr/>	<hr/>
	<b>127</b>	130
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	1
In the band £70,001 - £80,000	<b>0</b>	1
In the band £80,001 - £90,000	<b>1</b>	0

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's national insurance) paid for the five members of key management personnel for their services to the academy trust was £379,719 (2016 - £552,021 for eleven members of key management personnel).

**12. Central services**

No central services were provided by the Trust to its academies during the year and no central charges arose.

**13. 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 Executive Head Teachers and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher 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:

		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
G Morris	Remuneration	<b>80,000-85,000</b>	75,000-80,000
	Pension contributions paid	<b>10,000-15,000</b>	10,000-15,000
M Price (resigned 31 March 2016)	Remuneration		60,000-65,000
	Pension contributions paid		10,000-15,000
A Tagg (resigned 31 March 2016)	Remuneration		10,000-15,000
	Pension contributions paid		0-5,000
T Keyworth (resigned 31 March 2016)	Remuneration		5,000-10,000
	Pension contributions paid		0-5,000
G Draycott (appointed 1 April 2016, resigned 6 April 2017)	Remuneration	<b>30,000-35,000</b>	20,000-25,000
	Pension contributions paid	<b>5,000-10,000</b>	0-5,000

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £Nil).

**14. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £29,779 (2016 - £34,037).

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**15. Tangible fixed assets**

	Long-term leasehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	2,965,510	61,874	109,118	78,573	3,215,075
Additions	-	10,940	22,587	33,110	66,637
Disposals	-	-	-	(6,937)	(6,937)
At 31 August 2017	<u>2,965,510</u>	<u>72,814</u>	<u>131,705</u>	<u>104,746</u>	<u>3,274,775</u>
<b>Depreciation</b>					
At 1 September 2016	59,524	-	16,740	20,611	96,875
Charge for the year	57,006	7,036	23,554	22,812	110,408
At 31 August 2017	<u>116,530</u>	<u>7,036</u>	<u>40,294</u>	<u>43,423</u>	<u>207,283</u>
<b>Net book value</b>					
At 31 August 2017	<u>2,848,980</u>	<u>65,778</u>	<u>91,411</u>	<u>61,323</u>	<u>3,067,492</u>
At 31 August 2016	<u>2,905,986</u>	<u>61,874</u>	<u>92,378</u>	<u>57,962</u>	<u>3,118,200</u>

**16. Debtors**

	2017 £	2016 £
Trade debtors	-	3,000
VAT recoverable	123,498	17,921
Other debtors	16,537	13,730
Prepayments and accrued income	178,264	140,860
	<u>318,299</u>	<u>175,511</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>138,000</b>	6,268
Accruals and deferred income	<b>220,339</b>	270,550
	<hr/> <b>358,339</b> <hr/>	<hr/> 276,818 <hr/>
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2016	<b>92,660</b>	51,022
Resources deferred during the year	<b>59,955</b>	92,660
Amounts released from previous years	<b>(92,660)</b>	(51,022)
Deferred income at 31 August 2017	<hr/> <b>59,955</b> <hr/>	<hr/> 92,660 <hr/>

At the balance sheet date the academy trust was holding Universal Infant Free School Meals funding and devolved capital funding received in advance for Autumn 2017, and school trip income received in advance for trips occurring in the 2017/18 academic year.

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**Notes to the financial statements**  
**For the year ended 31 August 2017**

**18. Statement of funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General Funds	158,373	74,949	(44,658)	-	-	188,664
<b>Restricted funds</b>						
General Annual Grant (GAG)	480,955	3,479,343	(3,145,823)	(150,521)	-	663,954
Other DfE / ESFA Grants	-	588,740	(514,012)	(74,728)	-	-
Other Government Grants	-	222,171	(222,171)	-	-	-
Catering	-	35,542	(214,246)	178,704	-	-
Other income	-	87,133	(87,133)	-	-	-
Pension reserve	(2,123,000)	-	(170,000)	-	(286,000)	(2,579,000)
	<u>(1,642,045)</u>	<u>4,412,929</u>	<u>(4,353,385)</u>	<u>(46,545)</u>	<u>(286,000)</u>	<u>(1,915,046)</u>
<b>Restricted funds - Class II</b>						
Capital surplus transferred on conversion	17,254	-	-	-	-	17,254
Assets transferred on conversion	3,014,843	-	(52,538)	-	-	2,962,305
DfE / ESFA Capital Grants	11,235	20,093	(6,937)	-	-	24,391
Assets purchased from GAG	74,868	-	(57,871)	46,545	-	63,542
	<u>3,118,200</u>	<u>20,093</u>	<u>(117,346)</u>	<u>46,545</u>	<u>-</u>	<u>3,067,492</u>
Total restricted funds	<u>1,476,155</u>	<u>4,433,022</u>	<u>(4,470,731)</u>	<u>-</u>	<u>(286,000)</u>	<u>1,152,446</u>
Total of funds	<u><u>1,634,528</u></u>	<u><u>4,507,971</u></u>	<u><u>(4,515,389)</u></u>	<u><u>-</u></u>	<u><u>(286,000)</u></u>	<u><u>1,341,110</u></u>

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**Notes to the financial statements**  
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**18. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
General Funds	71,303	141,835	(54,765)	-	-	158,373
	<u>71,303</u>	<u>141,835</u>	<u>(54,765)</u>	<u>-</u>	<u>-</u>	<u>158,373</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	102,812	2,672,451	(2,112,623)	(181,685)	-	480,955
Other DfE / ESFA Grants	-	432,953	(368,114)	(64,839)	-	-
Other Government Grants	-	194,269	(194,269)	-	-	-
Start Up Grant	3,356	70,000	(73,356)	-	-	-
Catering	-	23,210	(194,305)	171,095	-	-
Other income	-	7,000	(7,000)	-	-	-
	(641,000)	(712,000)	(25,000)	-	(745,000)	(2,123,000)
	<u>(534,832)</u>	<u>2,687,883</u>	<u>(2,974,667)</u>	<u>(75,429)</u>	<u>(745,000)</u>	<u>(1,642,045)</u>
<b>Restricted funds - Class II</b>						
Capital surplus transferred on conversion	17,254	-	-	-	-	17,254
Assets transferred on conversion	1,517,463	1,527,732	(30,352)	-	-	3,014,843
DfE / ESFA Capital Grants	3,795	9,300	(1,860)	-	-	11,235
Assets purchased from GAG	36,438	-	(36,999)	75,429	-	74,868
	<u>1,574,950</u>	<u>1,537,032</u>	<u>(69,211)</u>	<u>75,429</u>	<u>-</u>	<u>3,118,200</u>
Total restricted funds	<u>1,040,118</u>	<u>4,224,915</u>	<u>(3,043,878)</u>	<u>-</u>	<u>(745,000)</u>	<u>1,476,155</u>
Total of funds	<u><u>1,111,421</u></u>	<u><u>4,366,750</u></u>	<u><u>(3,098,643)</u></u>	<u><u>-</u></u>	<u><u>(745,000)</u></u>	<u><u>1,634,528</u></u>

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

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

**Restricted general funds**

This fund represents grants and other income received for the academy's operational activities and development.

**Pension reserve**

The pension reserve included within restricted general funds represents the academy's share of the pension liability arising on the LGPS pension fund.

**Restricted fixed asset funds**

This fund represents grants received from the DfE and ESFA to carry out works of a capital nature.

**Transfers between funds**

Transfers between funds relate to fixed assets purchased from GAG, and Universal Infant Free School Meals Grants and GAG money used to assist in funding catering.

**Analysis of academies by fund balance**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Northwood Park Primary School	<b>574,181</b>	498,110
Lodge Farm Primary School	<b>278,437</b>	141,218
Total before fixed asset fund and pension reserve	<b>852,618</b>	639,328
Restricted fixed asset fund	<b>3,067,492</b>	3,118,200
Pension reserve	<b>(2,579,000)</b>	(2,123,000)
Total	<b>1,341,110</b>	1,634,528

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**18. Statement of funds (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 depreciation £	Total 2017 £	Total 2016 £
Northwood Park Primary School	1,772,581	281,927	312,751	476,981	2,844,240	2,464,723
Lodge Farm Primary School	908,572	190,924	199,463	254,844	1,553,803	539,709
	<u>2,681,153</u>	<u>472,851</u>	<u>512,214</u>	<u>731,825</u>	<u>4,398,043</u>	<u>3,004,432</u>

**19. Analysis of net assets between funds**

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,067,492	3,067,492
Current assets	188,664	1,022,292	-	1,210,956
Creditors due within one year	-	(358,338)	-	(358,338)
Provisions for liabilities and charges	-	(2,579,000)	-	(2,579,000)
	<u>188,664</u>	<u>(1,915,046)</u>	<u>3,067,492</u>	<u>1,341,110</u>

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

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	3,118,200	3,118,200
Current assets	158,373	757,773	-	916,146
Creditors due within one year	-	(276,818)	-	(276,818)
Provisions for liabilities and charges	-	(2,123,000)	-	(2,123,000)
	<u>158,373</u>	<u>(1,642,045)</u>	<u>3,118,200</u>	<u>1,634,528</u>

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**20. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(7,418)</b>	1,268,107
<b>Adjustment for:</b>		
Depreciation charges	<b>110,408</b>	69,211
Loss on disposal of assets	<b>6,937</b>	-
Interest receivable	<b>(446)</b>	(633)
Increase in debtors	<b>(142,788)</b>	(86,527)
Increase/(decrease) in creditors	<b>81,521</b>	(145,694)
Capital grants from DfE/ESFA and other capital income	<b>(20,093)</b>	(9,300)
Defined benefit pension scheme obligation inherited on conversion	-	712,000
Defined benefit pension scheme adjustments	<b>170,000</b>	25,000
Fixed assets transferred from the local authority on conversion	-	(1,527,732)
<b>Net cash provided by operating activities</b>	<b>198,121</b>	<b>304,432</b>

**21. Analysis of cash and cash equivalents**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>892,658</b>	740,635
<b>Total</b>	<b>892,658</b>	<b>740,635</b>

**22. Pension commitments**

The Academy'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 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.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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.

**22. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. 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 £221,000 (2016 - £148,000).

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](http://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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 2017 was £211,000 (2016 - £177,000), of which employer's contributions totalled £166,000 (2016 - £144,000) and employees' contributions totalled £45,000 (2016 - £33,000). The agreed contribution rates for future years are 17.7% and 20.3% for employers and 55% - 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:

	<b>2017</b>	<b>2016</b>
Discount rate for scheme liabilities	<b>2.60 %</b>	2.20 %
Rate of increase in salaries	<b>4.20 %</b>	3.75 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	2.00 %

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**22. 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:

	<b>2017</b>	<b>2016</b>
Retiring today		
Males	<b>21.8 years</b>	23.1 years
Females	<b>24.3 years</b>	25.8 years
Retiring in 20 years		
Males	<b>24.0 years</b>	25.3 years
Females	<b>26.6 years</b>	28.1 years

<b>Sensitivity analysis</b>	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
	<b>£</b>	<b>£</b>
Discount rate +0.1%	<b>(83,000)</b>	(67,000)
Discount rate -0.1%	<b>85,000</b>	69,000
Mortality assumption - 1 year increase	<b>106,000</b>	65,000
Mortality assumption - 1 year decrease	<b>(103,000)</b>	(63,000)
CPI rate +0.1%	<b>67,000</b>	50,000
CPI rate -0.1%	<b>(64,000)</b>	(48,000)

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

	<b>Fair value at 31 August 2017</b>	<b>Fair value at 31 August 2016</b>
	<b>£</b>	<b>£</b>
Equities	<b>445,000</b>	255,000
Gilts	<b>52,000</b>	30,000
Corporate bonds	<b>27,000</b>	37,000
Property	<b>52,000</b>	34,000
Cash and other liquid assets	<b>36,000</b>	28,000
Other	<b>94,000</b>	46,000
<b>Total market value of assets</b>	<b>706,000</b>	<b>430,000</b>

The actual return on scheme assets was £89,000 (2016 - £55,000).

**Northwood Park Educational Trust**  
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**Notes to the financial statements**  
**For the year ended 31 August 2017**

**22. Pension commitments (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current service cost	<b>(291,000)</b>	(134,000)
Interest income	<b>12,000</b>	11,000
Interest cost	<b>(57,000)</b>	(46,000)
Deficit inherited on conversion	<b>-</b>	(712,000)
	<hr/>	<hr/>
Total	<b>(336,000)</b>	(881,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	<b>89,000</b>	55,000
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	<b>2,553,000</b>	843,000
Current service cost	<b>291,000</b>	134,000
Interest cost	<b>57,000</b>	46,000
Employee contributions	<b>45,000</b>	33,000
Benefits paid	<b>(8,000)</b>	(4,000)
Actuarial losses	<b>347,000</b>	789,000
Liabilities inherited on conversion	<b>-</b>	712,000
	<hr/>	<hr/>
Closing defined benefit obligation	<b>3,285,000</b>	2,553,000
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	<b>430,000</b>	202,000
Return on plan assets	<b>77,000</b>	44,000
Actuarial losses	<b>(16,000)</b>	-
Interest income	<b>12,000</b>	11,000
Employee contributions	<b>45,000</b>	33,000
Benefits paid	<b>(8,000)</b>	(4,000)
Employer contributions	<b>166,000</b>	144,000
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>706,000</b>	430,000
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**Northwood Park Educational Trust**  
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**Notes to the financial statements**  
**For the year ended 31 August 2017**

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**23. Operating lease commitments**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts payable:</b>		
Within 1 year	<b>16,922</b>	16,922
Between 1 and 5 years	<b>24,053</b>	40,975
Total	<b>40,975</b>	57,897

**24. Members' liability**

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

**25. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.