

Company Registration No. 08782697 (England and Wales)

THE NORTHAMPTON FREE SCHOOL TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018

THE NORTHAMPTON FREE SCHOOL TRUST

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THE NORTHAMPTON FREE SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs D White (left 13/03/2018)
Mr A Gonzalez de Savage
Mrs C Emmett (left 13/03/2018)
Mr A Rodi (left 19/03/2018)
Mr J Davis (from 13/03/2018)
Mrs A Ward (from 19/03/2108)
Mr C Knight (from 21/03/2018)
Ms J Motte (from 01/04/2018)
Mr D Laing (from 10/04/2018)

Trustees

Mr D Rosser (Accounting officer)
Mr A Gonzales de Savage (Chair of Directors)
Mrs D White (Retired 19 March 2018)
Mr A Rodi (Retired 19 March 2018)
Mr J Davis
Mrs E Chown
Mrs P Collins
Dr Laura Knight
Mrs A Bak
Mr L Stanley
Mr C Armstrong (Appointed 15 December 2017 and retired 31 October 2018)
Ms R Brittle (Appointed 26 October 2018)

Senior management team

- Principal	Mr D Rosser
- Vice Principal	Mrs J Page
- Assistant Principal	Mrs K Smith
- Assistant Principal	Mr T Clarke
- Assistant Principal	Mrs J Watts
- Assistant Principal	Mr G Treadgold
- Business Manager	Mrs F Hedges
- SENCO	Mrs C Woodbridge
- Subject Leader	Mr Joel Cooper

Company registration number

08782697 (England and Wales)

Registered office

Wootton Park School
Wootton Hall Park
Northampton
NN4 0JA

Independent auditor

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

THE NORTHAMPTON FREE SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

THE NORTHAMPTON FREE SCHOOL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 18 serving a catchment area in Northamptonshire. It has a pupil capacity of 1260 and had a roll of 342 in the school census of January 2018.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of The Northampton Free School Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as an academy and is known as Wootton Park School.

The trustees of The Northampton Free School Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased professional indemnity insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

Method of recruitment and appointment or election of trustees

Trustees of the Academy are nominated by either the Secretary of State for Education or members of the charitable company. Parent governor Trustees are elected by parents of registered pupils at the Academy. The Principal is treated as an ex officio trustee. The articles of association require no less than three Trustees.

The term of office for any trustee, shall be up to 4 years except the Principal who remains a trustee whilst in post. Trustees are eligible for re-election at the meeting at which they retire.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity, educational, legal and financial matters. All new Trustees will be given a tour of the Academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction tends to be done informally and is tailored specifically to the individual.

THE NORTHAMPTON FREE SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The management structure consists of three levels; the Trustees, the Principal, and the Senior leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and appointment of the Principal.

The Senior Leaders are the Principal, the Vice Principal, three Assistant Principals, one Associate Assistant Principal, a SENCO officer, subject leader and the Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Trustees have a clear united vision to build on the highly successful results since start up of the Trust and share a passion of high standards. They are actively engaged in particular at public events, such as open evenings and school functions. All Governors meetings are positive and inclusive with consideration given to the various talents within the Governing Body.

The School has a clear Scheme of Delegation where the main financial operational procedures and due diligence are overseen by The Finance & Resources Committee. This committee ensures value for money through regular reports and reviews of current and planned spending.

Arrangements for setting pay and remuneration of key management personnel

The school has a pay policy which is linked to the appraisal policy. Pay at certain points of the pay scale is linked to performance. The Principal undergoes an annual appraisal by two Trustees and an external adviser. The Vice Principal and Business Manager are appraised in line with the school appraisal policy by the Principal. The outcomes of their appraisals are discussed at the Pay Committee before any incremental pay awards are agreed. Where other staff are being considered for a pay increase related to performance, they too are discussed at the Pay Committee.

Related parties and other connected charities and organisations

The Academy has a policy which prohibits it from entering into transactions with connected parties whether they be members of staff or Trustees, or companies, charities or other organisations which are controlled by members of staff or Trustees or their families. Trustees and the senior management team are required to confirm that they are not related to any parties with which the Academy does business at each Trustees meeting.

Objectives and activities

Objects and aims

The principal object and activity of the Academy is to provide education for pupils of different abilities between the ages of 4 and 18.

In accordance with the articles of association the Academy has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

THE NORTHAMPTON FREE SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2018 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The Academy's main strategy to achieve its objectives is to provide education for pupils of different abilities, in a learning environment utilising the best possible teaching facilities and staff. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- a programme of extra-curricular opportunities, clubs and experiences for all students;
- an independent careers advice and a guidance programme to help students obtain employment or move on to higher education.

Public benefit

The Trustees have regard to the Charity Commissions guidance on public benefit Section 4 of the Charities Act 2011. The Trustees ensure that the Academy's activities, as described above, are undertaken in line with the charitable objects and aims. The Academy Trust follows the school admissions criteria and policies of Northamptonshire County Council to ensure that the basis for admissions is transparent and as fair as possible to all potential pupils applying to the Academy, and is comparable to other local state-funded Schools and Academies.

Strategic report

Achievements and performance

EYFS Good Level of Development

Wootton Park end of year target	74%
2017 National	70.7%
AP1 (Baseline)	54%
AP2 (December 17)	72%
AP3 (March 18)	71%
AP4 (July 18)	76.6%

THE NORTHAMPTON FREE SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Year 1 Phonics

Learners in Year 1 were required to sit a phonics screening test in June 2018. The pass mark for the phonics test this year was 32/ 40. The National figure for 2017 was 81% so our score of 98% sits well above National. 12% (6 learners) scored full marks in the test.

Phonics Screening Marks	AP1	AP2	AP3	Phonics Test June 2018
Learners who scored 32 or more	5 (11%)	27 (52%)	36 (69%)	49 (98%)
Learners who have scored between 27 – 31	8 (17%)	18 (34%)	11 (21%)	1 (2%)
Learners who scored between 17 - 26	23 (49%)	7 (13%)	5 (10%)	0 (0%)
Learners who scored between 0-16	11 (23%)	0 (0%)	0 (0%)	0 (0%)

THE NORTHAMPTON FREE SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Secondary Progress

Wootton Park School is now above national average in all progress measures in both years 7 and 8. It is encouraging to see that year 7 are now broadly in line with the outstanding progress being made in year 8 in most subject areas. This is largely due to the year 7 cohort getting up to speed with the pace and delivery style of secondary education at WPS.

During 2017-18, 74 quality assurance activities took place including learning walks, book trawls, work scrutinies, home learning trawls and marking & assessment reviews. In addition, 34 formal lesson observations were also undertaken. All of the teaching in both key stages (EYFS & KS3) and in all subjects is good or better with none that is inadequate and much that is outstanding. The most recent formal observation round carried out by members of the Senior Leadership Team and externally validated by our Support & Challenge Partner indicated 100% was good or better.

Governors systematically challenge senior leaders so that the effective deployment of staff and resources, secures excellent outcomes for learners. Leaders and governors have a deep, accurate understanding of the school's effectiveness informed by the views of learners, parents and staff (see Stakeholder Feedback Oct 16). Leaders and Governors use incisive performance management that leads to professional development that encourages, challenges and supports teachers' improvement. Safeguarding is a high priority throughout the school. It is successfully coordinated by the Assistant Principal who has ensured that all statutory requirements are met and vulnerable learners protected. Good actions have been taken to follow up on child protection issues. All staff have completed the statutory safeguarding training (Sept 17) and there are clear policies and processes to ensure all children at Wootton Park School are safe. The school has clear policies and practices for e-safety, attendance, first aid, risk assessments, educational visits and preventing radicalization. The Local Authority Safeguarding Inspection in November 16 rated the School as 10 /10.

The use of innovative staffing has ensured that all learners receive the support they need and that the school can offer a rich and vibrant curriculum that is personalized to meet the individual unique needs. The broad and balanced curriculum inspires learners to learn. As evidenced in the September 17 Learner Attitudinal Survey where 97% of learners state that they learn a lot in lessons at Wootton Park School.

The robust Performance Management Policy ensures a highly effective appraisal process, which links, to the Pay Policy and Formal Capability Policy. Staff appraisal is an integral part of our self-evaluation process and is implemented in relation to its impact on learners' progress.

Ofsted Inspection

The School has yet to undergo an Ofsted inspection but this is due next academic year. However a recent DfE inspection highlighted that the school is on a trajectory to outstanding.

THE NORTHAMPTON FREE SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

Key Performance Indicator	Tool	Target 2017/ 18	Target 2018/ 19	RAG	Date Reviewed
					Comments
Learner recruitment	Number of learners on roll	346	517		2017/18 - Yr. 7 120 Yr. 8 121 R60 & Yr. 1 52
Improved learner attainment EYFS	% Learners achieving good level of development at the end of Reception	74%	77%		76% made GLD by end of R. (Nat '16 - 70%)
Improved learner attainment KS3	% Learners making expected progress in English by the end of Year 7	72%	74%		90% of cohort making at least expected progress (Nat '15 - 69%)
	% Learners making expected progress in maths by the end of Year 7	68%	70%		93% of cohort making at least expected progress (Nat '15 - 66%)
Quality of Teaching	% Lessons graded good or better using the Ofsted criteria	95%	95%		34 lessons observed during 17/18 and 100% were good or better
	% Lessons graded outstanding using the Ofsted criteria.	33%	33%		68% lessons graded outstanding during 2017/18
	% of marking graded as good or better	100%	100%		100% of marking graded good outstanding during 2017/18
Improved attendance rates	%Attendance rate of learners	96%	96%		96.9% for 2017/18

THE NORTHAMPTON FREE SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key Performance Indicator	Tool	Target 2017/ 18	Target 2018/ 19	RAG	Date Reviewed
Parental satisfaction	% Parents satisfied with their child's education at WPS	88%	88%		100% state that their child feels safe at WPS (May 17 - Stakeholder Feedback folder) 100% agreed that their child is taught well
	% Parents who would recommend the school to friends and colleagues with school-age children	88%	88%		99.3% would recommend WPS to another parent (May '17 Stakeholder Feedback folder)
Partnership Working	Number of partnerships with local school and external stakeholders	10	15		Currently working with 4 schools - CCS, Brooke Weston, Stratford Girls, SDS. Partnership with NTFC & Saints. Recently joined the local Cluster.
Staff professional development & satisfaction	% Teaching staff received appropriate professional development linked to performance review process	100%	100%		All teaching staff PM reviews completed and targets moderated by GB
	% Support staff receiving appropriate professional development linked to performance review process	100%	100%		
	% Staff retention rate	90%	90%		100% retention rate for 2017/18 of full time permanent staff
Public Service	% Learners taking part in at least one enrichment opportunity/club during the academic year	100%	100%		100% all learners participated in at least 1 club. 100% PP learners participated in at least 1 club 100% SEN learners participated in at least 1 club
	% Learners participating in at least one community-focussed activity during the academic year	100%	100%		100% learners participated in a community project before July 17
External monitoring of quality of provision	1st/4th term monitoring visit from the DfE	No areas of concern			DfE Monitoring Visit completed May 18
	Support & Challenge inspection during the academic year	Good with outstanding features	Good with outstanding features		S&C Monitoring Visit completed 13/03/17

THE NORTHAMPTON FREE SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Going concern

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

Financial review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA)/ Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA/DfE during the year ended 31 August 2018 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 ESFA/DfE. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2016), such grants 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 expected useful life of the assets concerned. In addition funds are received from various activities carried out to generate funds, such as any running costs of the Academy not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31 August 2018 total revenue expenditure was £2.3 million (2017: £1.5 million) and total income and endowments from the DfE and other sources were £2.3 million (2017: £1.8 million).

At 31 August 2018 the net book value of tangible fixed assets was £0.3m (2017: £0.3m) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy held fund balances at 31 August 2018 of £291,000 (2017: £266,000) comprising £277,000 (2017: £262,000) of restricted funds and £14,000 (2017: £4,000) of unrestricted funds. The restricted pension reserve is currently in deficit by £26,000. This deficit relates solely to the actuarial assessment of Local Government Pension Scheme and future contribution rates have been agreed to reduce this deficit.

Reserves policy

The Trustees review the reserve levels of the Academy annually. Given increasing salary costs (increases in salaries, Teachers' Pensions contributions and National Insurance costs) and the downward pressure on grant income the Trustees currently aim to hold reserves to cover future budget gaps.

The Academy's current level of free reserves (total funds less the amount held in restricted pension and fixed asset funds) is a deficit of £34,000 (2017: £52,000 deficit as a result of lower than expected pupil numbers and a clawback in funding to the Trust from the ESFA).

Investment policy

The Academy Trust does not hold any investments other than cash at bank.

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and Academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

THE NORTHAMPTON FREE SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees regularly review the risks faced by the Academy Trust and have completed a "Risk Map" to identify the critical areas of concern. As far as possible the Trustees have put in place management controls to minimise/mitigate risks.

The Trustees consider the following item is the principal risk facing the Academy Trust is the progression of the new building. Directors are currently working closely with the EFSA to secure the right construction company to deliver the school. Full planning permission has been achieved and the site cleared of legacy buildings.

Financial and risk management objectives and policies

[In relation specifically to 'financial instruments', the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (SI 2008/410) Schedule 7 section 6(1) requires disclosure of the academy trust's financial risk management objectives and its exposure to financial risks including credit, cash flow and liquidity risks, unless not material for an assessment of its position and performance. However, given the nature of academies, and that the financial instruments that they deal with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors, it is likely that only minimal disclosure will be required. It is likely that such information will not be material to the assessment of the trust's assets, liabilities, financial position and its results and therefore detailed disclosure may not be required. Reference may be required to its defined benefit pension schemes, particularly where there is a deficit as this may be material.]

Fundraising

At this time the Academy does not partake in active fundraising but it is an area under continued review in consideration of growth of incoming resources.

Plans for future periods

The next 12 months

Strategic Priority 1: Learner Achievement

- To achieve outstanding progress for all learners
- To continue to develop outstanding use of data, through rigorous and accurate target setting and tracking, and considered and effective review
- To continue to develop outstanding practice when reporting to and engaging parents
- To ensure seamless transition to the new build and maximise the new build's potential to enhance learner achievement

Strategic Priority 2: Quality of Teaching

- To develop and embed a robust and outstanding curriculum to promote learning, which is motivational, skills based and diverse.
- To continue to develop and embed outstanding learning and teaching practice
- To continue to develop and embed outstanding staff CPD and coaching, particularly for those new to the profession or new to their role
- To continue to research, trial and adopt innovative and engaging learning strategies

Strategic Priority 3: Personal Development, Behaviour & Welfare

- To continue to create, develop and embed a culture of positive behaviour both within and beyond the classroom
- To continue to develop a culture of well-being for all learners, with targeted support for more 'vulnerable' children, where they can grow into valued and respected citizens
- To continue to develop a culture of well-being for all staff
- To continue to develop opportunities for learner leadership experience beyond the classroom

Strategic Priority 4: Leadership and Management

- To maintain and develop excellent senior leadership, particularly staff's ability to recruit and retain the very best staff
- To develop an effective and dynamic middle leadership
- To develop consistent understanding of high quality leadership and management
- To continue to develop outstanding governance

THE NORTHAMPTON FREE SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Learner Recruitment

Wootton Park School was heavily oversubscribed for 2017/18 with 169 first choice applications for 120 Year 7 places and 69 first choices for Reception. This is an indication that the schools' reputation is growing in the local community. Of those that answered, 100% of parents stated that they would recommend WPS to another parent (Parent Survey May 2017). We have a clear recruitment strategy for 2018/19 which is supported by the Governing Body. Early indications are that we will again be heavily oversubscribed.

New Build

The School will continue to work with the appointed contractor over the coming year, to design and build our new £20 million educational facilities. The school will be ready for occupation in 2019/20 with a capacity of 1260 children.

Teaching & Learning

Teaching at Wootton Park School continues to go from strength to strength. Of the 34 lesson observations carried out in 2017/18, 100% were judged to be good or better. We will continue to embed the Kagan strategies for teaching and further develop our coaching model so to ensure good mental health and well-being for our whole school community.

Community Engagement

The school currently works in partnership with a number of local community groups and we will look to further develop these opportunities this academic year. Projects planned include working with the local elderly community, and community learning within the School. In addition, this academic year we have become an official RFU School drawing in additional funding to support sports in education. We have also achieved the Inclusion Quality Mark and become a qualified D of E centre.

Attendance

Attendance for 2017-18 was significantly above national average at 96.9%. We believe attendance at WPS is outstanding.

Governance

In a recent DfE Inspection (May 18), it was noted that:

- Governors challenge robustly through a cycle of meetings and visits to the school.
- Individual governors bring specific expertise and experience to their work and there are three senior teachers on the Board who can provide a sharp education perspective.
- Governors are well trained and diligent and confident in performing their duties.

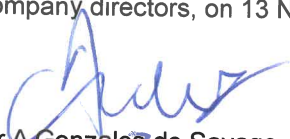
Auditor

So far as the Trustees are aware:

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

A resolution proposing that Smith Hodge & Baxter Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 November 2018 and signed on its behalf by:


Mr A. Gonzales de Savage
Chair of Directors

THE NORTHAMPTON FREE SCHOOL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Northampton Free School 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 Principal, 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 The Northampton Free School 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr D Rosser (Accounting officer)	6	6
Mr A Gonzales de Savage (Chair of Directors)	6	6
Mrs D White (Retired 19 March 2018)	0	3
Mr A Rodi (Retired 19 March 2018)	0	3
Mr J Davis	5	6
Mrs E Chown	5	6
Mrs P Collins	4	6
Dr Laura Knight	6	6
Mrs A Bak	5	6
Mr L Stanley	6	6
Mr C Armstrong (Appointed 15 December 2017 and retired 31 October 2018)	5	6
Ms R Brittle (Appointed 26 October 2018)	0	0

There have been some changes to strengthen the Members and Trustee Boards in year. The outcomes have proved pleasing and improved scrutiny.

Previously the Trustees undertook a staff review exercise using the "Effective governance for good schools: Twenty key questions for a school governing body to ask itself" issued by the National Governors Association. This also included a skills audit of the current Trustees to identify any areas of weakness.

All Trustees are given the opportunity to attend training courses provided by external training providers.

In addition there is training on-site for Trustees provided by members of the Leadership Team. This year, training has included safeguarding, understanding the curriculum, and getting to grips with Progress 8 data.

The DfE Advisor in October 2018 recognised the range of expertise on the governing body. It was also noted the way in which the Trustees closely monitor the progress of the school development plan.

The Finance and Resources Committee is a sub-committee of the board of Trustees. Its purpose is, inter alia, to review and approve all matters relating to Finance, Human Resources, Premises, Risk Management and Health and Safety. The Committees make recommendations to the board of Trustees for approval as set out in the terms of reference. Attendance at meetings during the year was as follows:

THE NORTHAMPTON FREE SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The finance and operations committee is a sub-committee of the main board of trustees. Its purpose is to inter alia, to review and approve all matters relating to Finance, Human Resources, Premises, Risk Management and Health and Safety. The Committees make recommendations to the board of Trustees for approval as set out in the terms of reference. Attendance at meetings during the year was as follows:

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr A Gonzales de Savage (Chair of Directors)	3	3
Dr Laura Knight	3	3
Mrs A Bak	2	3
Mr L Stanley	3	3

Review of value for money

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

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

- Closely monitoring staffing requirements and making appropriate decisions about replacement or otherwise when existing staff leave.
- Reviewing the effectiveness of the curriculum and the number of staff required to deliver the curriculum effectively.
- Reviewing the basis on which Teaching and Learning Responsibilities (TLR's) are awarded to make sure that the number awarded are rationalised, appropriate for the size of the school and consistent across the faculties.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Northampton Free School Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

THE NORTHAMPTON FREE SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and operations 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 to appoint Smith Hodge & Baxter as internal auditor.

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

- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of petty cash and staff expenses
- testing of control account / bank reconciliations

The auditor reports to the board of trustees through the finance and operations committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees three times per year.

The Trustees are responsible for the design and selection of the internal checks. During the year, the checks were conducted and reports showed no significant issues. Other findings have been addressed as part of usual committee and Trustee business.

Review of effectiveness

As accounting officer the principal 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process [if relevant];
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and operations committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 13 November 2018 and signed on its behalf by:



Mr D Rosser
Accounting officer

THE NORTHAMPTON FREE SCHOOL TRUST

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

As accounting officer of The Northampton Free School Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Mr D Rosser
Accounting Officer

13 November 2018

THE NORTHAMPTON FREE SCHOOL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of The Northampton Free School Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

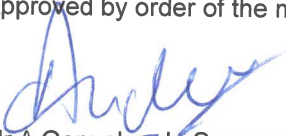
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 13 November 2018 and signed on its behalf by:



Mr A Gonzales de Savage
Chair of Directors

THE NORTHAMPTON FREE SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTHAMPTON FREE SCHOOL TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of The Northampton Free School Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

THE NORTHAMPTON FREE SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTHAMPTON FREE SCHOOL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions 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 including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE NORTHAMPTON FREE SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTHAMPTON FREE SCHOOL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mrs Caroline Armstrong (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter Audit Services

19th November 2018

Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

THE NORTHAMPTON FREE SCHOOL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE NORTHAMPTON FREE SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 19 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Northampton Free School Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Northampton Free School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Northampton Free School Trust's funding agreement with the Secretary of State for Education dated [ENTER IN STATUTORY DATABASE] and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of Trustee and relevant Board minutes
 - Sample test of procurement procedures
- Communication with the Accounting Officer

THE NORTHAMPTON FREE SCHOOL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE NORTHAMPTON FREE SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

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

Smith Hodge & Baxter

Reporting Accountant

Smith Hodge & Baxter Audit Services

Dated: *19th November 2018*

THE NORTHAMPTON FREE SCHOOL TRUST

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

	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2018 £'000s	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	3	14	-	101	115	574
Charitable activities:						
- Funding for educational operations	4	118	2,025	-	2,143	1,216
Other trading activities	5	54	-	-	54	16
Total		<u>186</u>	<u>2,025</u>	<u>101</u>	<u>2,312</u>	<u>1,806</u>
Expenditure on:						
Raising funds	6	62	-	-	62	18
Charitable activities:						
- Educational operations	7	114	2,066	96	2,276	1,534
Total	6	<u>176</u>	<u>2,066</u>	<u>96</u>	<u>2,338</u>	<u>1,552</u>
Net income/(expenditure)		10	(41)	5	(26)	254
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	18	-	50	-	50	7
Net movement in funds		10	9	5	24	261
Reconciliation of funds						
Total funds brought forward		4	(81)	344	267	5
Total funds carried forward		<u>14</u>	<u>(72)</u>	<u>349</u>	<u>291</u>	<u>266</u>

THE NORTHAMPTON FREE SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2017 £'000s
Income and endowments from:					
Donations and capital grants	3	11	-	563	574
Charitable activities:					
- Funding for educational operations	4	81	1,135	-	1,216
Other trading activities	5	16	-	-	16
Total		108	1,135	563	1,806
Expenditure on:					
Raising funds	6	18	-	-	18
Charitable activities:					
- Educational operations	7	89	1,224	221	1,534
Total	6	107	1,224	221	1,552
Net income/(expenditure)		1	(89)	342	254
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	7	-	7
Net movement in funds		1	(82)	342	261
Reconciliation of funds					
Total funds brought forward		3	-	2	5
Total funds carried forward		4	(82)	344	266

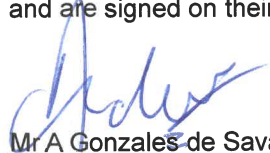
THE NORTHAMPTON FREE SCHOOL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£'000s	£'000s	£'000	£'000
Fixed assets					
Tangible assets	11		330		344
Current assets					
Stocks	12	13		11	
Debtors	13	59		94	
Cash at bank and in hand		102		45	
		<u>174</u>		<u>150</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(121)		(202)	
Net current assets/(liabilities)			<u>53</u>		<u>(52)</u>
Net assets excluding pension liability			383		292
Defined benefit pension liability	18		(92)		(26)
Net assets			<u>291</u>		<u>266</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			349		344
- Restricted income funds			20		(56)
- Pension reserve			(92)		(26)
Total restricted funds			<u>277</u>		<u>262</u>
Unrestricted income funds	16		14		4
Total funds			<u>291</u>		<u>266</u>

The accounts on pages 23 to 43 were approved by the trustees and authorised for issue on 13 November 2018 and are signed on their behalf by:



Mr A Gonzales de Savage
Chair of Directors

Company Number 08782697

THE NORTHAMPTON FREE SCHOOL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000s	2017 £'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	39	(103)
Cash flows from investing activities			
Capital grants from DfE Group		101	529
Capital funding received from sponsors and others		-	33
Purchase of tangible fixed assets		(82)	(427)
Net cash provided by investing activities		19	135
Net increase in cash and cash equivalents in the reporting period		58	32
Cash and cash equivalents at beginning of the year		44	13
Cash and cash equivalents at end of the year		102	45

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

The Northampton Free School Trust meets the definition of a public benefit entity under FRS 102 and is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on page 1.

The presentation currency of the financial statements is the pound sterling (£'000).

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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.

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, as follows:

Computer equipment	20% on cost
Fixtures, fittings & equipment	20% on reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 Liabilities

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

1.7 Provisions

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

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

1.8 Leased assets

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

1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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 cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Stock

Stock is valued at the lower of cost and net realisable value.

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.11 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Pensions benefits

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

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

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

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

1.13 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

Restricted pension reserve funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000
Capital grants	-	101	101	563
Other donations	14	-	14	11
	<u>14</u>	<u>101</u>	<u>115</u>	<u>574</u>

The income from donations and capital grants was £115,000 (2017: £574,000) of which £14,000 was unrestricted (2017: £11,000) and £101,000 restricted fixed asset funds (£563,000).

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	1,639	1,639	853
Start up grants	-	200	200	196
Other DfE / ESFA grants	-	117	117	66
	-	1,956	1,956	1,115
Other government grants				
Local authority grants	-	22	22	-
Other income from the Academy				
Trust's educational operations	118	47	165	101
Total funding	118	2,025	2,143	1,216

The income from funding for the Academy Trust's educational operations was £2,143,000 (2017: £1,216,000) of which £118,000 was unrestricted (2017: £81,000) and £2,025,000 was restricted (2017: £1,135,000).

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000
Hire of facilities	5	-	5	2
Other	49	-	49	14
	54	-	54	16

The income from other trading activities was £54,000 (2017: £16,000) of which £54,000 was unrestricted (2017: £16,000) and £Nil was restricted (2017: £Nil).

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Expenditure

	Staff costs £'000s	Premises & equipment £'000s	Other costs £'000s	Total 2018 £'000s	Total 2017 £'000
Expenditure on raising funds	39	-	23	62	18
Academy's educational operations					
- Direct costs	1,502	-	290	1,792	1,031
- Allocated support costs	188	81	215	484	503
	<u>1,729</u>	<u>81</u>	<u>528</u>	<u>2,338</u>	<u>1,552</u>

Net income/(expenditure) for the year includes:

	2018 £'000s	2017 £'000
Fees payable to auditor for:		
- Audit	7	7
- Other services	2	2
Depreciation of tangible fixed assets	96	86
Net interest on defined benefit pension liability	3	1
	<u></u>	<u></u>

7 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000
Direct costs - educational operations	56	1,736	1,792	1,031
Support costs - educational operations	58	426	484	503
	<u>114</u>	<u>2,162</u>	<u>2,276</u>	<u>1,534</u>

Analysis of support costs

	2018 £'000s	2017 £'000
Support staff costs	188	226
Depreciation and amortisation	7	-
Premises costs	71	140
Other support costs	158	116
Governance costs	60	21
	<u>484</u>	<u>503</u>

Expenditure on charitable activities was £2,276,000 (2017: £1,534,000) of which £1,950,000 was restricted general funds (2017: £1,191,000), £116,000 was restricted pension reserve (2017: £33,000), £114,000 was unrestricted (2017: £89,000) and £96,000 was restricted fixed asset funds (2017: £221,000).

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Staff

Staff costs

Staff costs during the year were:

	2018 £'000s	2017 £'000s
Wages and salaries	1,268	693
Social security costs	120	69
Pension costs	328	153
Staff costs	1,716	915
Agency staff costs	-	49
Staff development and other staff costs	13	-
Total staff expenditure	1,729	964

Staff numbers

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

	2018 Number	2017 Number
Teachers	15	5
Administration and support	29	13
Management	9	7
	53	25

Higher paid staff

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

	2018 Number	2017 Number
£100,001 - £110,000	1	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance) received by key management personnel for their services to the academy trust was £621,000 (2017:£517,000).

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

Mr D Rosser (Principal and Trustee)		
Remuneration	£105,000-£110,000	(2017: £100,000-£105,000)
Employers' pension contributions	£15,000- £20,000	(2017: £15,000-£20,000)
Employers' national insurance	£10,000-£15,000	(2017: £10,000-£15,000)

During the year ended 31 August 2018 travel expenses totalling £280 were reimbursed or paid directly to 3 Trustees (2017: £378 to 4 Trustees).

Other related party transactions involving the Trustees are set out in note 24.

10 Trustees and officers insurance

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

11 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Total
	£'000s	£'000s	£'000s
Cost			
At 1 September 2017	249	182	431
Additions	54	28	82
	<hr/>	<hr/>	<hr/>
At 31 August 2018	303	210	513
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 September 2017	50	37	87
Charge for the year	61	35	96
	<hr/>	<hr/>	<hr/>
At 31 August 2018	111	72	183
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 August 2018	192	138	330
	<hr/>	<hr/>	<hr/>
At 31 August 2017	199	145	344
	<hr/>	<hr/>	<hr/>

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

12	Stocks	2018	2017
		£'000s	£'000
	Uniforms	13	11
		<u> </u>	<u> </u>
13	Debtors	2018	2017
		£'000s	£'000
	Trade debtors	1	9
	VAT recoverable	15	21
	Prepayments and accrued income	43	64
		<u> </u>	<u> </u>
		59	94
		<u> </u>	<u> </u>
14	Creditors: amounts falling due within one year	2018	2017
		£'000s	£'000
	Trade creditors	36	71
	ESFA creditor: abatement of GAG	-	55
	Accruals and deferred income	85	76
		<u> </u>	<u> </u>
		121	202
		<u> </u>	<u> </u>
15	Deferred income	2018	2017
		£'000s	£'000
	Deferred income is included within:		
	Creditors due within one year	42	19
		<u> </u>	<u> </u>
	Deferred income at 1 September 2017	19	18
	Released from previous years	(19)	(18)
	Amounts deferred in the year	42	19
		<u> </u>	<u> </u>
	Deferred income at 31 August 2018	42	19
		<u> </u>	<u> </u>

At the balance sheet date the Academy Trust was holding funds received in advance of the next academic year for free school meals, capital grant and educational visits.

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
Restricted general funds					
General Annual Grant	(56)	1,639	(1,564)	-	19
Start up grants	-	200	(200)	-	-
Other DfE / ESFA grants	-	117	(117)	-	-
Other government grants	-	22	(22)	-	-
Other restricted funds	-	47	(47)	-	-
	<u>(56)</u>	<u>2,025</u>	<u>(1,950)</u>	<u>-</u>	<u>19</u>
Funds excluding pensions	(56)	2,025	(1,950)	-	19
Pension reserve	(26)	-	(116)	50	(92)
	<u>(82)</u>	<u>2,025</u>	<u>(2,066)</u>	<u>50</u>	<u>(73)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	344	101	(96)	-	349
	<u>344</u>	<u>101</u>	<u>(96)</u>	<u>-</u>	<u>349</u>
Total restricted funds	<u>262</u>	<u>2,126</u>	<u>(2,162)</u>	<u>50</u>	<u>276</u>
Unrestricted funds					
General funds	4	186	(176)	-	14
	<u>4</u>	<u>186</u>	<u>(176)</u>	<u>-</u>	<u>14</u>
Total funds	<u>266</u>	<u>2,312</u>	<u>(2,338)</u>	<u>50</u>	<u>290</u>

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy together with other restricted general funds.

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

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2016 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2017 £'000s
Restricted general funds					
General Annual Grant	-	853	(909)	-	(56)
Start up grants	-	196	(196)	-	-
Other DfE / ESFA grants	-	38	(38)	-	-
Other restricted funds	-	48	(48)	-	-
	<u>-</u>	<u>1,135</u>	<u>(1,191)</u>	<u>-</u>	<u>(56)</u>
Funds excluding pensions	-	1,135	(1,191)	-	(56)
Pension reserve	-	-	(33)	7	(26)
	<u>-</u>	<u>1,135</u>	<u>(1,224)</u>	<u>7</u>	<u>(82)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	-	563	(221)	-	342
Capital expenditure from GAG	2	-	-	-	2
	<u>2</u>	<u>563</u>	<u>(221)</u>	<u>-</u>	<u>344</u>
Total restricted funds	<u>2</u>	<u>1,698</u>	<u>(1,445)</u>	<u>7</u>	<u>262</u>
Unrestricted funds					
General funds	3	108	(107)	-	4
	<u>3</u>	<u>108</u>	<u>(107)</u>	<u>-</u>	<u>4</u>
Total funds	<u>5</u>	<u>1,806</u>	<u>(1,552)</u>	<u>7</u>	<u>266</u>

17 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2018 £'000s
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	330	330
Current assets	14	141	19	174
Creditors falling due within one year	-	(121)	-	(121)
Defined benefit pension liability	-	(92)	-	(92)
	<u>14</u>	<u>(72)</u>	<u>349</u>	<u>291</u>

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Total 2017 £'000s
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	344	344
Current assets	20	130	-	150
Creditors falling due within one year	(16)	(186)	-	(202)
Defined benefit pension liability	-	(26)	-	(26)
	<u>4</u>	<u>(82)</u>	<u>344</u>	<u>266</u>

18 Pension and similar obligations

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

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

There are 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

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

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

The employer's pension costs paid to the TPS in the period amounted to £140,249 (2017: £82,445).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.6% for employers and between 5.5% and 12.5% for employees.

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

Total contributions made	2018 £'000s	2017 £'000
Employer's contributions	76	38
Employees' contributions	21	9
Total contributions	97	47
Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.3	2.4

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	22.1	22.1
- Females	24.2	24.2
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.1	26.1

Scheme liabilities would have been affected by changes in assumptions as follows:

The academy trust's share of the assets in the scheme	2018 Fair value £'000s	2017 Fair value £'000
Equities	112	37
Debt instruments	23	8
Property	12	4
Cash	5	1
Total market value of assets	152	50

The actual return on scheme assets was £5,000 (2017: £3,000).

Amount recognised in the Statement of Financial Activities	2018 £'000s	2017 £'000
Current service cost	189	70
Interest income	(2)	-
Interest cost	5	1
Total operating charge	192	71

Changes in the present value of defined benefit obligations	2018 £'000s
At 1 September 2017	76
Current service cost	189
Interest cost	5
Employee contributions	21
Actuarial gain	(47)
At 31 August 2018	244

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

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

	2018 £'000s
At 1 September 2017	50
Interest income	2
Actuarial gain	3
Employer contributions	76
Employee contributions	21
	<hr/>
At 31 August 2018	152
	<hr/>

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

	2018 £'000s	2017 £'000
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(26)	255
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(101)	(562)
Defined benefit pension costs less contributions payable	113	32
Defined benefit pension net finance cost	3	1
Depreciation of tangible fixed assets	96	86
(Increase) in stocks	(2)	(1)
Decrease/(increase) in debtors	36	(95)
(Decrease)/increase in creditors	(80)	181
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	39	(103)
	<hr/>	<hr/>

20 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy Trust is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy site and premises and other assets held for the purpose of the Academy Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

THE NORTHAMPTON FREE SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Commitments under operating leases

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

	2018 £'000s	2017 £'000
Amounts due within one year	5	20
Amounts due in two and five years	16	46
	<u>21</u>	<u>66</u>

22 Capital commitments

	2018 £'000s	2017 £'000
Expenditure contracted for but not provided in the accounts	340	394

23 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.