

REGISTERED COMPANY NUMBER 08782697 (England and Wales)
EXEMPT CHARITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

THE NORTHAMPTON FREE SCHOOL TRUST

(A Company Limited by Guarantee)

Smith Hodge & Baxter
Chartered Accountants
& Statutory Auditors
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

THE NORTHAMPTON FREE SCHOOL TRUST

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

	Page
Reference and Administrative Details	1
Trustees' Report	2 to 9
Governance Statement	10 to 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report on the Financial Statements	15 to 17
Independent Reporting Accountant's Report on Regularity	18 to 19
Statement of Financial Activities incorporating Income & Expenditure Account	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	23 to 26
Other Notes to the Financial Statements	27 to 36

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	Mr A Gonzalez de Savage	(from 27 April 2017)
	Mrs C Emmett	
	Mr A Rodi	(from 4 July 2017)
	Mrs D White	
	Mr A Sortwell	(until 2 May 2017)
	Mr S Patel	(until 2 May 2017)
Trustees	Mrs D White	Chair
	Mr D Rosser	Principal and Accounting Officer
	Mr A Gonzalez de Savage	(appointed 9 May 2017)
	Mr A Rodi	(appointed 4 July 2017)
	Mr J Davis	(appointed 20 September 2016)
	Mrs E Chown	(appointed 11 October 2016)
	Mrs P Collins	(appointed 11 October 2016)
	Dr L Knight	(appointed 11 October 2016)
	Mrs A Bak	Parent Governor
		(appointed 13 December 2016)
	Mr L Stanley	Parent Governor
		(appointed 13 December 2016)
	Mr A Sortwell	(resigned 2 May 2017)
Senior Leadership Team	Mr S Patel	(resigned 2 May 2017)
	Mr D James	(appointed 4 January 2017)
		(resigned 7 July 2017)
	Mr D Rosser	Principal
	Mrs J Page	Vice Principal
	Mrs K Anger	Assistant Principal
	Mr T Clarke	Assistant Principal
Principal and Registered office	Mrs J Watts	Assistant Principal
	Mr G Treadgold	Assistant Principal
	Mrs F Hedges	Business Manager
	Wootton Hall Park	
	Northampton	
	NN4 0JA	
Company Registration Number	08782697 (England and Wales)	
Independent Auditor	Smith Hodge & Baxter	
	Chartered Accountants & Statutory Auditors	
	Thorpe House	
	93 Headlands	
	Kettering	
	Northamptonshire	
Bankers	NN15 6BL	
	National Westminster Bank plc	
	41 Drapery	
	Northampton	
Solicitors	NN1 2EY	
	Browne Jacobson LLP	
	Mowbray House	
	Castle Meadow Road	
	Nottingham	
	NG2 1BJ	

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

TRUSTEES' REPORT **FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their report together with the financial statements and auditors' report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustee's report and a directors report under company law.

The trust operates an academy for pupils aged 4 to 19 serving a catchment area in Northamptonshire. It has a pupil capacity of 1260 and had a roll of 168 in the school census of January 2017.

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.

Details of the Trustees who served during the year 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 whilst 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.

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 Assistant Principal, three Assistant Principals, one Associate Assistant Principal 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 NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

TRUSTEES' REPORT (continued) **FOR THE YEAR ENDED 31 AUGUST 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2017 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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

As the data indicates, current Year 8 learners are making above expected progress in both English & maths. We believe that this is outstanding progress. Figures for progress within critical groups at Wootton Park School is also closely monitored. Progress within maths when compared to progress measures of 2015 is outstanding in all measures. Overall, English is also outstanding. Females are broadly in-line with national average at -1%. In year, admissions are broadly in-line with national average at +2%.

Figures for the Ebacc measure are very strong for Wootton Park School. At baseline, Wootton Park School learners were significantly below national figures at -8.5%. Learners' achievement has increased by +18.5% and now sits significantly above national average at +12.5%. This represents increase 20 learners achieving this measure. Outstanding achievement has been seen across all Ebacc subjects, and with an even greater expected increase in performance of learners within English, Wootton Park School projects a further improvement in learner performance within this measure

In EYFS, 88% of children made expected or better than expected progress in the 17 areas. 74% of learners have achieved a GLD (5% above national and 5.5% above Northampton). This shows outstanding progress for the cohort.

During 2016-17, 74 quality assurance activities took place including learning walks, book trawls, work scrutinies, home learning trawls and marking & assessment reviews. In addition, 27 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. Of the 27 lessons observed 63% of which were judged outstanding.

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 (REGISTERED NUMBER: 08782697)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

KEY PERFORMANCE INDICATORS

Key Performance Indicator	Tool	Target 2016/17	Target 2017/18	Target 2018/19	RAG	Date Reviewed
						Comments
Learner recruitment	Number of learners on roll	180	347	517		Opened with: Yr 7 105 & R42 Now have Yr. 7 120 & R47
Improved learner attainment EYFS	% Learners achieving good level of development at the end of Reception	72%	75%	77%		68% AP3 May 17 predicted to make expected progress. Baseline testing completed. Base indicates that 77% should make GLD by end of R. (Nat '15 - 69%)
	% Learners achieving good level of development by the end of Reception - Stretch target	76%	77%	79%		Baseline testing completed. Base indicates that 77% should make GLD by end of R. (Nat '15 - 69%)
Improved learner attainment KS3	% Learners making expected progress in English by the end of Year 7	58%	61%	63%		76% of cohort making at least expected progress (Nat '15 - 69%)
	% Learners making expected progress in maths by the end of Year 7	65%	68%	70%		85% of cohort making at least expected progress (Nat '15 - 66%)
	% Learners making expected progress at the end of KS3					Baseline testing completed.
Quality of Teaching	% Lessons graded good or better using the Ofsted criteria	95%	95%	95%		16 lessons observed during Term 4 - 38% Outstanding / 56% Good / 6%RI 45 learning walks completed - 100% good or better.
	% Lessons graded outstanding using the Ofsted criteria.	33%	33%	33%		44% lessons graded outstanding during Term 1-4 (T&L Folder) - validated by S&C Partner on 13th March 17. (S&C Report)
	% of marking graded as good or better	100%	100%	100%		The majority 80% of marking graded good outstanding during Term 1-4 (T&L folder)
Improved attendance rates	% Attendance rate of learners	96%	96%	96%		Term 1-4 attendance - 97.6% (Nat 94% '15) (14/03/17)
	% Persistent absence of learners (PA)	2.5%	2.5%	2.5%		0.7 PA (Nat. 3.5% '15). Improvement of 3.5% since Term 1 (14/03/17)
Behaviour for Learning	Number of fixed term exclusions - % of school population	0.5%	0.5%	0.5%		0 fixed term exclusions
	Number of permanent exclusions annually	0%	0%	0%		0 permanent exclusions
Learner Well-being	Learner survey results ranking peer behaviour as at least good	90%	90%	90%		71% agreed 27% unsure - follow up needed to find out why unsure (Stakeholder Feedback folder)
	Participation in learner voice activities over an academic year	100%	100%	100%		100% participation rate (Oct 16 Stakeholder Feedback folder) Next survey - June 17
	% Learners who report that they enjoy coming to WPS	85%	85%	85%		84% agreed 13% unsure - follow up needed to find out why unsure (Stakeholder Feedback folder)
	% Learners satisfied with their learning experiences at WPS stating they 'learn a lot in lessons'	85%	85%	85%		92% agreed 7% unsure - unsure - follow up needed to find out why unsure (Stakeholder Feedback folder)

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017****KEY PERFORMANCE INDICATORS (continued)**

Key Performance Indicator	Tool	Target 2016/17	Target 2017/18	Target 2018/19	R A G	Date Reviewed
Parental satisfaction	% Parents satisfied with their child's education at WPS	88%	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%	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	5	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%	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%	100%		PM targets in the process of being completed
	% Staff retention rate	90%	90%	90%		96% retention rate - CC left in Jan 17
Public Service	% Learners taking part in at least one enrichment opportunity/club during the academic year	100%	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%		100% learners due to participate 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	No areas of concern			DfE Monitoring Visit completed 4 November 2016
	Support & Challenge inspection during the academic year	No areas of concern	Good with outstanding features	Good with outstanding features		S&C Monitoring Visit completed 13/03/17
	Full Ofsted Inspection			Good with outstanding features		N/A

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**Financial report for the year**

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 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

TRUSTEES' REPORT (continued) **FOR THE YEAR ENDED 31 AUGUST 2017**

FINANCIAL REVIEW (continued)

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 2017 total revenue expenditure was £1.55 million (2016: £0.3 million) and total income and endowments from the DfE and other sources were £1.8 million (2016: £0.3 million).

At 31 August 2017 the net book value of tangible fixed assets was £344,000 (2016: £2,000) and movements in tangible fixed assets are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Financial position

The Academy held fund balances at 31 August 2017 of £266,000 (2016: £5,000) comprising £262,000 (2016: £2,000) of restricted funds and £4,000 (2016: £3,000) 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.

The restricted general fund is also currently in deficit by £56,000 as a result of lower than expected pupil numbers and a clawback in funding to the Trust from the ESFA. The Academy Trust have this clawback budgeted and included in the 2017/18 budget. The 2017/18 budget shows a balance position. The current liability position on the balance sheet is a timing matter which will clear in 2017/18.

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 £52,000 (2016: £3,000 surplus) as a result of lower than expected pupil numbers and a clawback in funding to the Trust from the ESFA. The Academy Trust have this clawback budgets and in the 2017/18 budget. The 2017/18 budget shows a balanced position. It is a timing matter which will clear in 2017/18.

Investment policy

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

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

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.

Financial and Risk Management Objectives and Policies

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:

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- Academy funding

The DfE is in the process of implementing a national funding formula which is due to be fully in place by 2019/20. Until the full impact of these changes have been ascertained there is a degree of uncertainty as to the level of future funding and the effects this may have on the operation of the Academy Trust.

PLANS FOR FUTURE PERIODS

The next 12 months

Strategic Priority 1: Learner Achievement

- A. To monitor and embed a highly effective system to monitor the quality of learners' work
- B. To develop and embed a highly effective learner progress tracking and target setting system
- C. To develop highly effective intervention systems in all curriculum areas
- D. To develop highly effective transition arrangements and support for all

Strategic Priority 2: Quality of Teaching

- A. To develop and embed a rigorous, robust and outstanding curriculum to promote learning which is motivational, authentic, skills based and diverse
- B. To develop and embed an assessment system which incorporates effective marking, assessment and formative feedback in order to track learner progress
- C. To develop and embed a system of assessment for learning in order to optimise personalised learning and challenge for all
- D. To develop and embed a curriculum based around our crime science specialism

Strategic Priority 3: Personal Development, Behaviour & Welfare

- A. To create, develop and embed a culture of positive behaviour both within and beyond the classroom
- B. To ensure learner attendance and punctuality are above the national expectations
- C. To create and embed a systematic and consistent management of behaviour
- D. To develop a culture of well-being for all learners with targeted support for more 'vulnerable' children

Strategic Priority 4: Leadership and Management

- A. To maintain and develop effective staff recruitment strategies
- B. To retain and develop highly effective staff
- C. To develop consistent understanding of high quality leadership and management
- D. To create, develop and embed an effective and systematic self-evaluation process

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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

PLANS FOR FUTURE PERIODS (continued)

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 September 2019 with a capacity of 1260 children.

Teaching & Learning

Teaching at Wootton Park School continues to go from strength to strength. Of the 15 lesson observations carried out in September / October 2017, 93% 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.

Attendance

Attendance for 2016-17 was significantly above national average at 97.4% (Nat. 2015 95.4%). The number of Persistent Absentees was significantly below national at 1.8% (National 10.5%). We believe attendance at WPS is outstanding.

Governance

In a recent DfE Inspection (October 17), 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.

Financial Management

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. During the 2016-17 academic year, the School worked in close collaboration with a local all-through school to ensure best value on staffing. This included 'buying in' several staff for several days a week to deliver parts of the curriculum.

Risks going forward

The most significant risk for the coming academic year is the progression of the new building. Governors are currently working closely with the EFSA to secure the right construction company to deliver the school. It is anticipated that the contract will be awarded early December 2017 with planning permission being sought immediately after this date.

Review of Governance

A full review of the Governing Body is due to take place this academic year via an external expert. This will ensure that we have the right skill set on the GB and Trust. The Governing Body currently operates a number of sub-committee including Finance & Resources, Disciplinary and Pay Committee.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

Trustees' report, incorporating a strategic report, approved by order of the board of Trustees, as the company directors, on 14 November 2017 and signed on the board's behalf by



Mr A Gonzalez de Savage
Chair of Trustees

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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 full 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:

<u>Trustee</u>	<u>Meetings Attended</u>	<u>Out of a possible</u>
Mr D Rosser	6	6
Mr A Gonzalez de Savage (appointed 9 May 2017)	3	3
Mr J Davis	3	5
Mrs E Chown	6	6
Mrs P Collins	6	6
Dr L Knight	4	6
Mrs A Bak	4	6
Mr L Stanley	4	6
Mr A Sortwell (resigned 2 May 2017)	3	4
Mr D James (resigned 7 July 2017)	5	5

Governance review

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 2017 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:

<u>Trustee</u>	<u>Meetings Attended</u>	<u>Out of a possible</u>
Mr D Rosser	2	2
Mrs P Collins	2	2
Dr L Knight	2	2
Mr L Stanley	1	1
Mr A Sortwell (resigned 2 May 2017)	1	2
Mrs Fran Hedges	1	1

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- regular reviews by the Finance 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 NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The risk and control framework (continued)

The internal auditor reports to the board of the Trustees, through the Finance and Operations committee on the operations of the systems of control and on the discharge of the board of Trustees' financial responsibilities three times a 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 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 members of the board of Trustees on 14 November 2017 and signed on its behalf by;



Mr A Gonzalez de Savage
Chair of Trustees



Mr D Rosser
Accounting Officer

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2017**

As Accounting Officer of The Northampton Free School Trust Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Educational and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregularity or improper use of funds by the Academy Trust, or any material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that 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.

Financial issues

The restricted general fund is also currently in deficit by £56,000 as a result of lower than expected pupil numbers and a clawback in funding to the Trust from the ESFA. The Academy Trust have this clawback budgets and in the 2017/18 budget. The 2017/18 budget shows a balance position. The current liability position on the balance sheet is a timing matter which will clear in 2017/18. This arose due to the first intake of students being below the original estimates used in the funding calculation, resulting in an abatement of GAG for the 2016/17 academic year. A small surplus budget has been set for the year ended 31 August 2017 and cost saving initiatives are already starting to make an impact.



.....
Mr D Rosser
Accounting Officer

Date: 14 November 2017

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

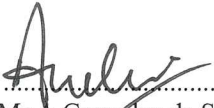
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on 14 November 2017 and signed on its behalf by:


.....
Mr A Gonzalez de Savage
Chair of Trustees

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS
OF THE NORTHAMPTON FREE SCHOOL TRUST
FOR THE YEAR ENDED 31 AUGUST 2017**

Opinion

We have audited the financial statements of The Northampton Free School Trust (the 'academy trust') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS
OF THE NORTHAMPTON FREE SCHOOL TRUST (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

INDEPENDENT AUDITORS REPORT TO THE MEMBERS
OF THE NORTHAMPTON FREE SCHOOL TRUST (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Caroline Armstrong (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter
Chartered Accountants & Statutory Auditors
Thorpe House
93 Headlands
KETTERING
NN15 6BL

Date: 14 November 2017

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE NORTHAMPTON FREE SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2017

In accordance with the terms of our engagement letter dated 7 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Northampton Free School Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 July 2011 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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 (REGISTERED NUMBER: 08782697)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
NORTHAMPTON FREE SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY
(continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Smith Hodge & Baxter
Chartered Accountants & Statutory Auditors
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

Date: 14 November 2017

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted Funds £000s	Restricted Pension Reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total 2017 £000s	Unaudited Total 2016 £000s
	Note						
INCOME AND ENDOWMENTS FROM:							
Donations and capital grants	2	11	-	-	563	574	37
Charitable activities:							
Funding for the Academy Trust's educational operations	3	81	-	1,135	-	1,216	235
Other trading activities	4	16	-	-	-	16	-
Total		108	-	1,135	563	1,806	272
EXPENDITURE ON							
Raising funds	5	18	-	-	-	18	-
Charitable activities:							
Academy Trust's educational operations	6	89	33	1,191	221	1,534	266
Total		107	33	1,191	221	1,552	266
Net income/(expenditure)		1	(33)	(56)	342	254	6
Transfers between funds	14	-	-	-	-	-	-
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14,23	-	7	-	-	7	-
Net movement in funds		1	(26)	(56)	342	261	6
RECONCILIATION OF FUNDS							
Total funds brought forward		3	-	-	2	5	(1)
Total funds carried forward	14	4	(26)	(56)	344	266	5

All of the Academy's activities derive from continuing operations during the above two financial periods.

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

BALANCE SHEET AT 31 AUGUST 2017

		2017	Unaudited
		£000s	2016
	Notes		£000s
FIXED ASSETS			
Tangible assets	10	344	2
CURRENT ASSETS			
Stock	11	11	10
Debtors	12	94	-
Cash at bank and in hand		45	13
		<hr/>	<hr/>
		150	23
LIABILITIES			
Creditors: Amounts falling due within one year	13	202	20
		<hr/>	<hr/>
NET CURRENT ASSETS		(52)	3
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT			
LIABILITIES/NET ASSETS			
EXCLUDING PENSION LIABILITY		292	5
DEFINED BENEFIT PENSION SCHEME			
LIABILITY	23	(26)	-
		<hr/>	<hr/>
TOTAL NET ASSETS		266	5
		<hr/>	<hr/>
FUNDS OF THE ACADEMY TRUST	14		
Restricted funds:			
Fixed asset fund		344	2
Restricted income fund		(56)	-
Pension reserve		(26)	-
		<hr/>	<hr/>
Total restricted funds		262	2
Unrestricted income funds		4	3
		<hr/>	<hr/>
TOTAL FUNDS		266	5
		<hr/>	<hr/>

The financial statements on pages 20 to 36 were approved by the Trustees and authorised for issue on 14 November 2017 and are signed on their behalf by:



Mr A Gonzalez de Savage
Chair of Trustees

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £000s	Unaudited 2016 £000s
Cash flows from operating activities:			
Net cash provided by operating activities	18	(103)	(105)
Cash flows from investing activities	19	135	36
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		32	(69)
 Cash and cash equivalents at 1 September 2016		13	82
		<hr/>	<hr/>
Cash and cash equivalents at 31 August 2017	20	45	13
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. STATEMENT OF ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 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).

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of authorization for issue of the financial statements.

The balance sheet for the reporting year show a current liability position due to a timing of recognition of grant clawback. As a result of lower than expected pupil numbers and a clawback in funding to the Trust from the ESFA. The Academy Trust have this clawback budgeted and included in the 2017/18 budget. The 2017/18 budget shows a balance position. The current liability position on the balance sheet is a timing matter which will clear in 2017/18.

The trustees have prepared the financial statements on the going concern basis. The trustees have prepared a small surplus budget and cash flows for the year ended 31 August 2018 and are committed to achieving this through management of all income and expenditure and associated cash flows.

Bearing the above in mind, the management and trustees are confident that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the financial statements have been prepared on a going concern basis.

Were the Academy Trust no longer a going concern, adjustments may be required to the carrying value of assets, provision would also be required for the future liabilities arising as a consequence of the Academy Trust ceasing business and assets and liabilities currently classified as non-current would be reclassified as current.

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 year 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

1. STATEMENT OF ACCOUNTING POLICIES (continued)

- **Grants (continued)**

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

Capital grants are recognised when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance 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.

- **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**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Tangible Fixed Assets (continued)

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

Furniture and equipment	20% on reducing balance
Computer equipment	20% on cost

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.

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.

Provisions

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

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

Leased Assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. 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 any financial instrument.

Stock

Stocks are valued at the lower of cost or net realisable value.

Taxation

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

Pension 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Pension Benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2017 £000s	Total 2016 £000s
Capital grants	-	563	563	37
Other donations	11	-	11	-
	<u>11</u>	<u>563</u>	<u>574</u>	<u>37</u>

The income from donations and capital grants was £574,000 (2016: £37,000) of which £11,000 was unrestricted (2016: £Nil) and £563,000 restricted fixed asset funds (2016: £37,000).

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2017 £000s	Total 2016 £000s
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	853	853	-
Start Up grants	-	196	196	232
Other DfE/ESFA grants	-	66	66	-
	<u>-</u>	<u>1,115</u>	<u>1,115</u>	<u>232</u>
Other Government grants				
Local authority grants	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other income from the Academy trust's educational operations	81	20	101	3
	<u>81</u>	<u>1,135</u>	<u>1,216</u>	<u>235</u>

The income from funding for the Academy Trust's educational operations was £1,216,000 (2016: £235,000) of which £81,000 was unrestricted (2016: £3,000) and £1,135,000 was restricted (2016: £232,000).

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2017 £000s	Total 2016 £000s
Hire of facilities	2	-	2	-
Other	14	-	14	-
	<u>16</u>	<u>-</u>	<u>16</u>	<u>-</u>

The income from other trading activities was £16,000 (2016: £Nil) of which £16,000 was unrestricted (2016: £Nil) and £Nil was restricted (2016: £Nil)

5. EXPENDITURE

	Staff Costs £000s	Non Pay Premises £000s	Expenditure Other Costs £000s	Totals 2017 £000s	Totals 2016 £000s
Expenditure on raising funds	17	-	1	18	-
Academy's educational operations:					
Direct costs	721	86	224	1,031	149
Allocated support costs	226	140	137	503	117
	<u>964</u>	<u>226</u>	<u>362</u>	<u>1,552</u>	<u>266</u>

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

5. EXPENDITURE (continued)

Expenditure was £1,552,000 (2016: £266,000) of which £964,000 was staff costs (2016: £108,000), £226,000 was premises (2016: £1,000) and £362,000 other costs (2016: £157,000).

Net income/(expenditure) for the year includes:

	2017 £000s	2016 £000s
Operating lease rentals	15	-
Depreciation	86	-
Fees payable to auditor - audit	7	-
- other services	2	-
Stocks recognised as an expense	36	-
	<hr/>	<hr/>

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason £
Unrecoverable debts	27	N/A	N/A

6. CHARITABLE ACTIVITIES

	Total 2017 £000s	Total 2016 £000s
Direct costs - educational operations	1,031	149
Support costs - educational operations	503	117
	<hr/>	<hr/>
	1,534	266

Analysis of support costs

	Total 2017 £000s	Total 2016 £000s
Support staff costs	226	20
Technology costs	-	-
Premises costs	140	1
Other support costs	116	49
Governance costs	21	47
	<hr/>	<hr/>
	503	117

Expenditure on charitable activities was £1,534,000 (2016: £266,000) of which £1,191,000 was restricted general funds (2016: £228,000), £33,000 was restricted pension reserve (2016: £Nil), £89,000 was unrestricted (2016: £Nil) and £221,000 was restricted fixed asset funds (2016: £38,000).

7. STAFF

a. Staff costs

Staff costs during the period were:

	Total 2017 £000s	Total 2016 £000s
Wages and salaries	693	86
Social security	69	9
Operating costs of defined benefit pension schemes	153	13
Apprenticeship levy	-	-
	<hr/>	<hr/>
	915	108
Supply staff costs	49	-
Staff restructuring costs	-	-
	<hr/>	<hr/>
	964	108

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

7. STAFF (continued)

b. Staff numbers

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

	2017 No.	2016 No.
Teachers	5	-
Administration and support	13	1
Management	7	1
	<u>25</u>	<u>2</u>

c. Higher paid staff

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

	2017 No.	2016 No.
£60,001 - £70,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team (Headteacher, Deputy Headteachers and Head of Finance) as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £452,000 (2016: £88,000).

8. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment.

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

Mr D Rosser (Principal and Trustee)		
Remuneration	£100,000 - £105,000	(2016: £65,000 - £70,000)
Employers' pension contributions	£15,000 - £20,000	(2016: £10,000 - £15,000)

During the year ended 31 August 2017 travel expenses totalling £378 were reimbursed or paid directly to 4 Trustees (2016: £537 to 1 Trustee).

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

9. TRUSTEES AND OFFICERS' INSURANCE

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

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

10. TANGIBLE FIXED ASSETS

	Furniture & equipment £000s	IT Equipment £000s	Total £000s
COST			
At 1 September 2016	3	-	3
Additions	179	249	428
	<hr/>	<hr/>	<hr/>
At 31 August 2017	182	249	431
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 September 2016	1	-	1
Charged in year	36	50	86
	<hr/>	<hr/>	<hr/>
At 31 August 2017	37	50	87
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 August 2017	145	199	344
	<hr/>	<hr/>	<hr/>
At 31 August 2016	2	-	2
	<hr/>	<hr/>	<hr/>

11. STOCK

	2017 £000s	2016 £000s
Uniforms	11	10
	<hr/>	<hr/>

12. DEBTORS

	2017 £000s	2016 £000s
Trade debtors	9	-
VAT recoverable	21	-
Prepayments and accrued income	64	-
	<hr/>	<hr/>
	94	-
	<hr/>	<hr/>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £000s	2016 £000s
Trade creditors	71	-
ESFA creditor: abatement of GAG	55	-
Accruals and deferred income	76	20
	<hr/>	<hr/>
	202	20
	<hr/>	<hr/>
	2017	2016
	£000s	£000s
Deferred income		
Deferred income at 1 September 2016	18	83
Released from previous years	(18)	(83)
Resources deferred in the year	19	18
	<hr/>	<hr/>
Deferred income at 31 August 2017	19	18
	<hr/>	<hr/>

At the balance sheet date the Academy Trust was holding funds received in advance of the next academic year for free school meals, music tuition and after school clubs.

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

14. FUNDS

	Unaudited Balance at 1 September 2016 £000s	Income £000s	Expenditure £000s	Gains, losses & Transfers £000s	Balance at 31 August 2017 £000s
Restricted general funds					
General Annual Grant (GAG)	-	853	(909)	-	(56)
Start Up grants	-	196	(196)	-	-
Pupil Premium	-	38	(38)	-	-
Pension Reserve	-	-	(33)	7	(26)
Other grants/income	-	48	(48)	-	-
	-	1,135	(1,224)	7	(82)
Restricted fixed asset funds					
DfE/ESFA capital grants	-	563	(221)	-	342
Capital expenditure from GAG	2	-	-	-	2
	-	563	(221)	-	344
Total restricted funds	2	1,698	(1,445)	7	262
Total unrestricted funds	3	108	(107)	-	4
TOTAL FUNDS	5	1,806	(1,552)	7	266

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 2017.

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 restricted general fund is also currently in deficit by £56,000 as a result of lower than expected pupil numbers and a clawback in funding to the Trust from the ESFA. The Academy Trust have this clawback budgeted and included in the 2017/18 budget. The 2017/18 budget shows a balance position. The current liability position on the balance sheet is a timing matter which will clear in 2017/18.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000s	Restricted Pension Reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total Funds £000s
Tangible fixed assets	-	-	-	344	344
Current assets	20	-	130	-	150
Current liabilities	(16)	-	(186)	-	(202)
Pension scheme liability	-	(26)	-	-	(26)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets	4	(26)	(56)	344	266
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

16. CAPITAL COMMITMENTS

	2017 £000s	2016 £000s
Contracted for, but not provided in the financial statements	394	-
	<hr/>	<hr/>

17. COMMITMENTS UNDER OPERATING LEASES

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

	2017 £000s	2016 £000s
Amounts due within one year	20	-
Amounts due between one and five years	46	-
	<hr/>	<hr/>
	66	-
	<hr/>	<hr/>

18. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £000s	2016 £000s
Net income for the reporting period (as per the statement of financial activities)	254	6
Depreciation	86	-
Capital grants from DfE and other capital income	(563)	(37)
Defined benefit pension scheme cost less contributions payable (note 23)	32	-
Defined benefit pension scheme finance costs (note 23)	1	-
Increase in stock	(1)	(10)
Increase in debtors	(94)	-
Increase/(decrease) in creditors	182	(64)
	<hr/>	<hr/>
Net cash provided by Operating Activities	(103)	(105)
	<hr/>	<hr/>

19. CASH FLOWS FROM INVESTING ACTIVITIES

	2017 £000s	2016 £000s
Purchase of tangible fixed assets	(428)	(1)
Capital grants from DfE/ESFA	530	37
Capital funding received from sponsors and others	33	-
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	135	36
	<hr/>	<hr/>

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 August 2017 £000s	At 31 August 2016 £000s
Cash in hand and at bank	45	13
Notice deposits (less than 3 months)	-	-
	<hr/>	<hr/>
Total cash and cash equivalents	45	13
	<hr/>	<hr/>

21. 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:

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

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

23. 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 of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION AND SIMILAR OBLIGATIONS (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge) (currently 14.1%)
- total scheme liabilities (pension currently in payment and the estimate cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £82,445 (2016: £Nil).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £47,000 (2016: £Nil) of which employer's contributions totalled £38,000 (2016: £Nil) and employees' contributions totalled £9,000 (2016: £Nil). The agreed contribution rates for future years are 24.6% for employers for the year to 31 March 2018 and between 5.5% and 12.5% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	2.7%	-
Rate of increase for pensions in payment/inflation	2.4%	-
Discount rate for scheme liabilities	2.5%	-
Inflation assumption (CPI)	2.4%	-
Commutation of pensions to lump sums		
- Pre April 2008 service	50%	-
- Post April 2008 service	75%	-

THE NORTHAMPTON FREE SCHOOL TRUST (REGISTERED NUMBER: 08782697)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.1	-
Females	24.2	-
<i>Retiring in 20 years</i>		
Males	23.9	-
Females	26.1	-

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	At 31 August 2017	At 31 August 2016
	£000s	£000s
Discount rate +0.1%	4	-
Discount rate -0.1%	(4)	-
Mortality assumption – 1 year increase	3	-
Mortality assumption – 1 year decrease	(3)	-
CPI rate +0.1%	4	-
CPI rate -0.1%	(4)	-

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

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£000s	£000s
Equity instruments	37	-
Debt instruments	8	-
Property	4	-
Cash	1	-
Total market value of assets	50	-

The actual return on scheme assets was £3,000 (2016: £Nil)

Amounts recognised in the statement of financial activities

	2017	2016
	£000s	£000s
Current service cost	(70)	-
Interest income	-	-
Interest cost	(1)	-
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total amount recognized in the SOFA	(71)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	2017 £000s	2016 £000s
At 1 September	-	-
Current service cost	70	-
Interest cost	1	-
Employee contributions	9	-
Actuarial (gains)/loss	(4)	-
Benefits paid	-	-
	<hr/>	<hr/>
At 31 August	76	-

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

	2017 £000s	2016 £000s
At 1 September	-	-
Interest income	-	-
Return on plan assets (excluding net interest on the net defined pension liability)	3	-
Employer contributions	38	-
Employee contributions	9	-
Benefits paid	-	-
	<hr/>	<hr/>
At 31 August	50	-

24. 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 8.

25. ULTIMATE CONTROLLING PARTY

The Academy Trust is under the control of the Trustees.