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**NORTHAMPTON SCHOOL FOR BOYS**

(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**NORTHAMPTON SCHOOL FOR BOYS**

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### **Reference and Administrative Details of the Academy, its Governors and Advisers FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Members**

Mr R Goldswain  
Mr A Hakes  
Mrs M Kay  
Mrs L Pinel-Lees  
Mr C Grimshaw  
Mr P Bason  
Mr O Harris

#### **Trustees**

Mr P Bason\*, Chair (appointed 6 November 2018)  
Mr A Hakes, Vice Chair  
Mrs Y Edwards  
Mr O Harris\*  
Mr R Bernard\*, Head Teacher  
Mrs M Kay\*  
Mr J P Webb  
Mr J Beswick  
Mrs M Walker\*  
Mrs M Jamieson (resigned 15 November 2019)  
Dr W Ribbans (appointed 7 November 2019)  
Mrs A Shaw  
Mr P Loughney (resigned 31 October 2018)  
Mrs H Cunliffe (resigned 2 November 2018)  
Mrs C Young (appointed 7 November 2019)  
Dr F Thompson (resigned 6 November 2019)  
Mr A Thomson  
Mr N Martin  
Mr M Ebsworth\*  
Mr J Drown (appointed 7 November 2019)  
Mrs L Shakir (appointed 1 November 2018, resigned 6 November 2019)  
Mrs I Whitcroft White (appointed 7 November 2019)  
Mrs V Dhir (appointed 7 November 2019)  
Mr G Smith (appointed 14 November 2019)

\* Members of the Finance and General Purposes Committee

#### **Company registered number**

07333885

#### **Company name**

Northampton School For Boys

#### **Principal and registered office**

Billing Road  
Northampton  
NN1 5RT

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**Reference and Administrative Details of the Academy, its Governors and Advisers (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Advisers (continued)**

**Clerk to the Governors**

Mrs L Howard

**Head teacher and accounting officer**

Mr R Bernard

**Senior leadership team**

Mr R Bernard, Headmaster  
Mr M Edwards, Deputy Head  
Mrs D Kennedy, Assistant Head (retired 31 December 2019)  
Mr R Taylor, Assistant Head  
Mr R Murphy, Assistant Head  
Mrs L Greenaway, Assistant Head  
Mr M Kneeshaw, Deputy Head  
Mr C Armstrong, Assistant Head  
Mr C Barker, Assistant head

**Independent auditor**

Grant Thornton UK LLP  
Senior Statutory Auditor  
Chartered Accountants  
Victoria House  
199 Avebury Boulevard  
Milton Keynes  
MK9 1AU

**Bankers**

Lloyds TSB  
Northampton  
NN1 1DJ

**Solicitors**

Howes Percival LLP  
Oxford House  
Northampton  
NN1 5PN

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## **NORTHAMPTON SCHOOL FOR BOYS**

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### **Report of the Governors FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2018 to 31 August 2019. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust specifically provides for the free education of boys in the town of Northampton and county of Northamptonshire from the ages of 11 to 16, and for the education of both boys and girls in the Sixth Form. The number of pupils on roll in the school census on 17 January 2019 was 1,631 (2018: 1,618).

#### **Structure, governance and management**

##### **Constitution**

The academy trust, known as Northampton School for Boys, was incorporated on 3 August 2010. The academy trust is a charitable company limited by guarantee with no share capital (registration no. 07333885) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy. The academy trust was formed under the provision of the Academies Act 2010. Northampton School for Boys, as an Outstanding Foundation school, converted to an Academy on 1 September 2010, retaining the same membership and roles of the Governing Body as for the predecessor school. The Governors act as the trustees for the Charitable activities of Northampton School for Boys and are also the Directors of the Charitable Company for the purposes of company law. A request lodged with the ESFA for their agreement that the Articles be updated to be the same as the current recommended model for Academies was accepted on 21 July 2017.

The charitable company is known as Northampton School *for Boys*.

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 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.

##### **Governors' indemnity**

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

##### **Method of recruitment and appointment or election of Governors**

The founding members of the Academy Trust appointed the inaugural governing body of the school consisting of up to 18 Governors. These were made up from, up to 1 LA Governor; a minimum of 6 parent Governors elected by parents of registered students at the school or appointed by the Governors if the number of parents standing is fewer than the number of vacancies; the Headmaster; 2 staff Governors; 8 other appointed governors; reflecting the composition of the governing body prior to Academy conversion.

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## **NORTHAMPTON SCHOOL FOR BOYS**

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### **Report of the Governors (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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The Chair and vice Chair are elected at the first Full Governing Body Meeting of the academic year. Provision for resignation, removal and disqualification of Governors are specified in the Articles of the Trust.

Under the new Articles of Association recommended by the ESFA and adopted on 21 July 2017, the first trustees appointed were those already in post on the day prior to the adoption of the new articles. The number of Trustees shall not be less than 3 and will be up to 18 and will be appointed by the Members. These will be made up from, a minimum of 2 Parent Trustees who will be elected by parents of registered students at the school or appointed by the Board of Trustees if the number of parents standing is fewer than the number of vacancies; the Headmaster and up to 15 other appointed Trustees. The Trust may also have Co-opted Trustees appointed under article 58 of the Articles of Association.

The number of Trustees who are employees of the Academy Trust must not exceed one third of the total number of Trustees (including the Headmaster).

#### **Policies and procedures adopted for the induction and training of Governors**

As there are only a small number of new governors each year, induction is carried out informally by the Clerk to the Governors and the Chair of Governors. New Governors are given access to documents which specify the remits and roles of the committees and guidance for Governors. Governor training takes place each term on a rolling programme of topics and training courses are now organised for Governors of this academy and others by the Teaching School.

#### **Organisational structure**

The Headmaster is the Accounting Officer and has overall responsibility for the use of public money and the stewardship of its assets in the school. The Governing Body meets once each term and oversees the work of seven committees covering, Finance, Curriculum, Discipline, Welfare, Admissions, Estate and Health & Safety and Personnel each of which meet more frequently. A Governance committee oversees the strategic operation of the Governing Body and it reviews its effectiveness. An Audit committee exists as a sub-committee of the Finance committee. Each committee is chaired by a Governor and convened by a member of the Senior Leadership Team, who has specific responsibilities within the committee's remit. The Senior Leadership Team meet weekly and when required, devise policies, procedures and practices which are referred to the appropriate committee for approval. Implementation of policies is delegated to the Senior Leadership Team with committees reviewing progress including the review of performance data and financial reports, to evaluate outcomes.

The appointment and discipline of the Headmaster is reserved for Governors, as is the investigation of any financial irregularities. The appointment of the Chair and Vice Chair of Governors is also reserved for the governing body/Board of Trustees. The Academy seeks to involve a Governor in the interview panel for all teaching appointments, typically the governor linked to that curriculum area. Link Governors meet with the middle leader who is the Curriculum Team Leader for their designated curriculum areas to review issues which affect teaching and learning. Link Governors feed back to the Curriculum Committee.

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### Report of the Governors (continued) FOR THE YEAR ENDED 31 AUGUST 2019

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The Finance and General Purposes Committee meets nine times a year and considers the school budget, regular financial reports and the annual accounts. This committee also approves the internal control mechanisms for ensuring that the school is operating efficiently and effectively and that proper accounting records are maintained. Spending against the school budget is delegated to spending Heads, such as the Estate Manager and the Curriculum Team Leaders. All spending is subject to Senior Leadership Team authorisation.

#### Arrangements for setting pay and remuneration of key management personnel

Key management personnel are the leaders of the school, with responsibility for advising the Governors in the strategic direction and the day-to-day management of the school; standards of teaching and learning; behaviour and progress of the students; recruitment and retention of quality staff; oversight of safeguarding and Education and Healthcare Plans; the financial health of the school; the quality of resources and the premises.

Levels of remuneration and pay policy, the pay policy and rates of pay including that of management personnel are determined and reviewed annually by the Personnel Committee of the Governors and will take into account any percentage pay rise applied to teachers across the school. In establishing pay rates the Governors consider the unique challenges and expectations of this school; the equivalent rates in comparable positions in other similar establishments; the need to retain effective and successful personnel with significant experience of success at this school; annual appraisal outcomes and performance against annual targets. In setting executive pay, additional responsibilities are taken into account which include responsibilities within the Teaching School, NTTP, the Northampton Old Grammar School Foundation, the Cripps Foundation and the Old Northamptonians.

#### Trade Union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, Northampton School for Boys must include information required in Schedule 2 of the regulations.

#### Relevant union officials

Number of employees	Full-time equivalent employee number
2	2

#### Percentage of time spent on facility time

The percentage of their working hours that relevant unions officials spent on facility time.

Percentage of time	Number of employees
0%	2
1-50%	-
51-99%	-
100%	-

#### Percentage of pay bill spent on facility time

Total cost of facility time	£2,756.88*
Total pay bill	£7,778,491.78
Percentage of total pay bill spent on facility time calculated as (total cost of facility time/total pay bill) x 100	0.035%

\* Note that this payment is made to Northamptonshire County Council as part of a pooled cost sharing arrangement and is not made to any employees of Northampton School for Boys.

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### Report of the Governors (continued) FOR THE YEAR ENDED 31 AUGUST 2019

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#### **Paid trade union activities**

As a percentage of total paid facilities time hours, the amount of hours spent by relevant trade union officials during the relevant period on paid trade union activities:

Time spent on trade union activities as a percentage of total paid facility time hours	-%
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#### **Connected organisations, including related party relationships**

The school's land and buildings are leased from the Northampton Old Grammar School Foundation (a registered Charity), which also leases land to the Old Northamptonians Association on an adjacent site. The school has common objects to the Northampton Old Grammar School Foundation, which donates additional funds to support the aims and objectives of the school.

Northampton School For Boys Charitable Trust Limited receives public donations for the benefit of the school. Chipsey Limited is a dormant trading company attached to the school.

The school was awarded Teaching School status from April 2012 by the National College of School Teaching and Leadership and it was re-designated Teaching School status again in September 2017 due to the outstanding work being undertaken. Teaching Schools work in collaboration with other educational establishments to further the training and professional development of the teaching workforce and as such Northampton School for Boys leads an alliance (the Northampton Town and County Teaching School Alliance) including Abbeyfield School, Abington Vale Primary School, Barry Primary School, Bridgewater Primary School, Brooke Weston Academy, Campion School and Language College, Caroline Chisholm School, Danetre and Southbrook Learning Village (DSL), Fairfields Special School, Kingsthorpe College, Latimer Arts College, Lodge Park Academy, Manor School and Sports College, Moulton School and Science College, Northampton Academy, Northampton High School, Northampton International Academy, Northampton School for Girls, Roade Primary, Sir Christopher Hatton Academy, Southfield School for Girls, Spring Lane Primary School, Stanwick Primary School, The Parker E-ACT Academy, Thomas Becket Catholic School, Thomas Deacon Academy, Thorplands Primary School, Weston Favell Academy, Wollaston School.

As part of the Teaching School, the school hosts the Northampton Teacher Training Partnership, which is responsible for initial teacher training in conjunction with 21 of the Northamptonshire partnership schools. The Northampton Teacher Training Partnership was awarded 'outstanding' status in every one of the four inspection areas: 'Trainee Outcomes'; 'Quality of Training across the Partnership'; 'Leadership and Management' and 'Overall Effectiveness' in its most recent inspection which concluded on 7 November 2018.

#### **Objectives and Activities**

##### **Objects and aims**

The object and aim of the Academy Trust as stated in the Articles of Association is specifically to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.



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## **NORTHAMPTON SCHOOL FOR BOYS**

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### **Report of the Governors (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Objectives, Strategies and Activities**

The Governors have regard to the Charity Commission guidance on public benefit. The academy specifically provides for the free education of boys in the town of Northampton and county of Northamptonshire from the ages of 11 to 16, and for the education of both boys and girls in the Sixth Form. The objectives are to provide the very best education and to enable every individual to achieve their fullest personal and academic potential. In particular, the academy achieves this not only by providing outstanding lessons, but also by encouraging all students to get involved in the huge range of extra-curricular opportunities provided – probably uniquely – at the school.

The main objectives of the academy during the year ended 31 August 2019 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; and
- to conduct the school's business in accordance with the highest standards of integrity, probity and openness.

#### **Public benefit**

The Academy has continued to serve the community through access to the academy's high quality facilities such as the Cripps Hall and Theatre, the Edwards Cripps Human Performance Centre, Sports Hall and All Weather Pitch. The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. We have referred to the guidance in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

#### **Equal opportunities policy**

The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

#### **Disabled persons**

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the school. The policy of the academy is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

#### **Achievement and performance**

The Academy has in the last fifteen years been one of the most popular and heavily over subscribed schools in the County. As the only state funded single sex boys school in the County, the governors have for many years

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### Report of the Governors (continued) FOR THE YEAR ENDED 31 AUGUST 2019

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had an admissions policy which does not operate a catchment area. Boys whose parents want a single sex education for their son are not prevented from obtaining one because of their address. The Academy admissions policy ensures that there is an equal spread of boys across the full ability range. The Academy is the chosen destination for an above average number of boys with Education Health and Care Plans (EHCPs), with over 15% of those with an EHCP in Northampton Town (a figure which includes boys and girls) attending Northampton School for Boys. The Academy remains heavily over-subscribed with 946 applications being received by Northamptonshire County Council for the 210 places starting in September 2019.

The school believes that we have fulfilled our charitable purpose for the public benefit in the year 2018-19. The school met its aims and objectives for the academic year 2018-19 within the grant income received for the same financial period. In particular:

- the school has maintained its outstanding grading from the external inspectorate, Ofsted during 2018-19 proving that the school provides an outstanding quality of education for all students
- the examination results – both external and internal – demonstrate that the school continues to provide the highest standards of educational achievement and progress for students
- provision and facilities at the school was increased meaning that the value for public money expended was exceptional
- the school further developed its links with industry and commerce
- exceptional achievement in extra-curricular activities especially in Sport and the Expressive Arts.

#### Key performance indicators

The academy's unvalidated examination results as of 31 August 2019 are as follows:

#### GCSE (provisional)

Performance Measure	Northampton School for Boys
Progress 8	<b>+0.52</b>
Attainment 8	<b>58</b>
Percentage of pupils achieving a 5 or above in English and Maths	<b>71.6%</b>
English Baccalaureate Average Point Score	<b>5.35</b>
The percentage of students staying in education or employment after KS4	<b>98%</b>

These were outstanding results for the year group and placed the school in the top two of the school league tables for Northampton town in each of the government's four new key accountability measures. These results would place the school at the top of the tables when comparing data for boys only.

Progress outcomes for all students of +0.52 are deemed to be 'well above average' and means that our students are achieving, on average, three quarters of a grade better than boys nationally. Progress for disadvantaged students is also significantly better than those for disadvantaged boys nationally by almost 0.3 of a grade.

The progress of students with low prior attainment was +0.94, middle prior attainment +0.50 and high prior attainment +0.49. These compare extremely favourably with national progress data

#### A Level (provisional)

Performance Measure	2018-19 (254 Students)	2017-18 (264 Students)	2016-17 (Northants)
Average points per A Level entry	<b>34.8</b>	<b>35</b>	<b>29.65</b>

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### Report of the Governors (continued) FOR THE YEAR ENDED 31 AUGUST 2019

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Achieving AAB or higher in at least 2 Facilitating Subjects	11.8%	14.8%	10.2%
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The school has successfully managed and implemented a significant increase to the size of its Sixth Form between 2016 and 2018 and this has not affected the average points per A Level entry significantly. The percentage of our students achieving the very top grades of AAB or higher in facilitating subjects continues to exceed the figures for other schools in Northamptonshire. There are no comparative figures against the rest of Northamptonshire for 2018 yet as official data is yet to be published by the DfE. Attainment scores for 6th Form students is expected to be above the national average in 2018-19. The school also enjoys a zero percent NEET figure post 18.

Attendance data	2018-19	2017-18	2017-18 (National)
Percentage Attendance	96.5%	96.5%	94.5%

The Academy recognises the value of high levels of attendance for its students and has maintained a focus on this area with parents and students. There has been a slight improvement from the last academic year and our attendance rates remain significantly above national figures.

#### Other Academy Achievements 2018-19

Ranked second in England for competitive sport  
Under 15 National Football Runners Up (Elite Cup)  
Under 13 National Football Semi-Finalists (Schools Cup)  
Under 17, 15, 14, 13, 12 Football County Champions  
Under 15 National Rugby Runners Up  
Under 15 National Basketball Finalists  
Under 14 National Basketball Finalists  
Cross Country Intermediate Boys National Finalists  
English Schools' Track and Field Championships Intermediate Boys ranked 11th nationally  
Under 13 Water Polo ranked 4th nationally  
Under 15 Water Polo ranked 4th nationally  
Two bands in the National Music for Youth finals  
Two bands at the National Concert Band festival  
NSB Dance Team selected for national UDO World Street Dance Championships  
NSB elite dance team performed at 'Move It 2019', at the Royal Albert Hall in front of HRH Prince Charles and at the 'Can U Dance' super convention.

Many students continue to gain representative honours at regional, national and international levels.

The school met its aims and objectives for the academic year 2018-19 well within the available funds, including reserves. The effective management of cash flow and scheduling of capital expenditure meant that the school's cash balances were never exceeded by commitments.

#### Going concern

After making appropriate enquiries, the Governing Body 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.

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### Report of the Governors (continued) FOR THE YEAR ENDED 31 AUGUST 2019

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#### Financial review

#### Financial review

During the year ended 31 August 2019, total incoming resources were £10,455,571 (2018: £10,724,341). Total expenditure was £11,750,247 (2018: £11,832,291). As at 31 August 2019, the net book value of fixed assets was £24,784,626 (2018: £25,251,997). As at 31 August 2019, unrestricted funds were £264,645 (2018: £519,200).

The Academy continues to see a decrease in overall income from the DfE/ESFA and the Local Authority due to the Public Sector spending restraints, but this is despite increasing cost pressures in other areas.

The Governors of the Academy have therefore taken the decision to utilise reserves so as to enable as smooth a transition as possible to the new National Funding Formula, whilst concurrently both making efficiency savings and reducing expenditure where possible. The new National Funding Formula, to be fully introduced in 2020-21, will see the Academy's financial position strengthen with a projected 4.3% funding increase compared to the baseline of 2016-17.

#### Reserves policy

The school's funds are primarily from the ESFA and are based on pupil numbers and, for the Sixth Form, retention and outcome factors. The school sets its budget for the following year when in receipt of allocation details from the ESFA. The school will devise forecasts for future years subject to grant information being available from the DfE.

Where medium term income forecasts suggest that funding levels will reduce in coming years then the governors may decide to carry forward money so that the students in one year are not disadvantaged relative to those in other years. The school will not commit money for expenditure where confirmation of the income to cover that expenditure has not been received. In some cases this will mean that where sums are unknown until later in the financial year, that this money is carried forward so that it can be spent following due consideration and evaluation of needs.

Approximately 80% of the school's expenditure is on staffing costs. Significant staffing costs can arise through maternity leave and sickness absence. Changes to Employer Pension and NI contributions, which are outside of the Education Budget, but which impact on a significant proportion of the school's expenditure were subject to increases from April 2019 and took effect in schools in September 2019. These increases have been covered with additional income in the form of a Pensions Grant. Accurate budgeting based on actual staff costs is done, with a reserve built into the budget to cover the above eventualities of between 2% and 2.5%. Maintenance of premises is the second largest area of expenditure, where effective, long term maintenance programmes are in place. Where short term need arises there is some flexibility in the maintenance programme to accommodate all but the most expensive of uninsured demands. Where such a need arises, monies will be diverted from the refurbishment budget to the maintenance budget and, where necessary, refurbishments will be delayed. Where there is work in progress which crosses a financial year then sums will be carried forward for the completion of those works. Where there is identified capital expenditure which cannot be met within a single year then sums will be carried forward to carry out those works.

During the financial year, the school was successful in securing monies from the Condition Improvement Fund to upgrade the heating and ventilation in the oldest parts of the school. This will be a welcome improvement to the welfare of staff working in these areas and will help to improve the energy efficiency of these areas too.

The school seeks in principle to spend the monies it receives within any given academic year for the benefit of students on roll during that academic year. A small operational surplus will be aimed for, not exceeding 2% of income in any given year. The school will plan for a minimum of 8% annual expenditure to be available within the cashflow forecast. All sums carried forward will be within the limits set by the ESFA.

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### **Report of the Governors (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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The reserves at any one time will be managed by the Finance and General Purposes Committee, who will deploy reserves to meet fluctuating demands on the school budget. The aim is to ensure that one month's income from the ESFA will be kept in reserve which will allow the Academy to continue its work in case of an emergency, but the actual amount kept in reserve may vary depending future projected funding. This policy will be reviewed annually.

The school continues to maintain and develop all school facilities to ensure the best educational provision is on offer. The building of the swimming pool, fitness and dance complex, funded by a donation to the school, was completed five years ago. The Finance and General Purposes Committee agreed in 2016-17, 2017-18 and again in 2018-19 to reduce the reserves in light of reduced income from the ESFA thus acting as a transition to the National Fair Funding formula in 2020-21. Reserves were used to partially fund the refurbishment of the Cripps Theatre which had not been refurbished since being built almost 20 years ago. Reserves were used to fund essential developments to ensure a positive impact on the students at the school during the academic year 2018-19.

The academy held fund balances at 31 August 2019 of £22,774,811 (2018: £25,139,487) comprising £nil (2018: £356,113) of restricted funds, £264,645 (2018: £519,200) of unrestricted funds of which £340,185 (2018: £892,490) are actual reserves not invested in fixed assets and so freely available for general purposes, and a pension reserve deficit of £2,350,000 (2018: £1,005,000). The academy received £3,339 (2018: £5,488) in interest from fund reserves.

#### **Investment policy**

Investments will only be made in line with the academy's charitable status and in line with policies which would be approved by the Governing Body/Trustees. During the period, the only investments were cash balances held with Lloyds TSB, some of which were transferred to higher interest deposit accounts also with Lloyds TSB.

#### **Principal risks and uncertainties**

The Governors have assessed the major risks to which the school is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the school, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational area (e.g. in relation to teaching, health and safety, bullying and school 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 Academy grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured that they have adequate risk protection arrangements through the ESFA or insurance measures in place. The school has an effective system of internal financial controls and this is explained in more detail in the following statement.

Whilst the Academy is over subscribed, risks to revenue funding from a falling roll are small. However, the lack of increase in post 16 funding levels, the freeze on the government's overall education budget, the changes in funding arrangements and increasing employment costs, such as pensions and NI contributions, mean that budgets have been and will continue to be increasingly stretched in the next couple of years. The Local Funding Formula for Northamptonshire has meant that the Academy's budget has significantly decreased in recent years as the Government's protection against budget reduction has been phased out. The school has managed its reserves so as to enable as smooth a transition as possible, whilst concurrently both making efficiency savings and reducing expenditure significantly. The new National Funding Formula, to be introduced in 2020-21, will see the Academy's financial position strengthen with a projected 4.3% funding increase compared to the baseline of 2016-17.

Governors are aware of the potential recruitment risk faced by all academies due to a falling number of teachers training to join the profession, however, due to the many academic and sporting successes that the Academy

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### **Report of the Governors (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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continues to achieve and the fact that we have an Ofsted outstanding on-site teacher training facility, this risk is significantly reduced. Our status as a Teaching School also means that professional development, recruitment and retention within the Academy is further enhanced.

Governors were aware of the potential compliance risk due to the new General Data Protection Regulation and steps were taken to ensure we were compliant and to mitigate this risk.

Liquidity risks are managed by maintaining sufficient cash reserves to deal with unexpected matters arising (see Reserves Policy).

#### **Fundraising**

The Academy carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legislation.

The Governors are committed to ensuring that fundraising activities are carried out in an ethical manner. In doing so, the Academy will adhere to the following standards:

- The Governors will have regard to the Charity Commission's publication 'Charity Fundraising' (CC20)
- Fundraising activities carried out by the school will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the school's stated mission and purpose.
- Any personal information collected by the school will remain confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Nobody directly or indirectly employed by or volunteering for the school shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the school.
- Financial contributions will only be accepted from companies, organisations and individuals the Governors consider to be ethical.
- All Governors, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Any fundraising activity will report to the Finance and General Purposes Committee.
- Fundraising activities must not be undertaken if they will expose the organisation to significant financial risk.
- Complaints are handled and monitored through the Academy's complaints procedure.

#### **Plans for future periods**

The Academy will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students find employment or a place in higher education once they leave. The Academy will continue to aim to attract high quality teachers and support staff, who can deliver the Academy's aspirations.

The Academy has reviewed its procedures to provide financial support for students whose families are in need,

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## **NORTHAMPTON SCHOOL FOR BOYS**

**(A company limited by guarantee)**

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### **Report of the Governors (continued) FOR THE YEAR ENDED 31 AUGUST 2019**

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with a view to facilitating the participation of all of our students in the full range of activities and opportunities on offer. The Academy will continue to work closely with parents regarding the financial support through Pupil Premium and target resources to support learning for the students concerned.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community of the Academy and will further develop its role as a Teaching School to act as a hub for staff training and development.

The Academy has formulated a comprehensive long term asset management plan to facilitate the maintenance of the quality of facilities for the benefit of future cohorts of students. Part of this plan will be to replace the existing All Weather Pitch within the imminent future.

The Academy faces increasing financial pressures in the coming years as costs rise and current National and Local Government funding policies combine to constrain the Academy's revenue income. The Academy continues to seek to maximise activities to generate funds including letting of the buildings and support from donations. The Academy will continue to operate an efficient curriculum and operate optimum class sizes throughout the school to maximise revenue funding. Where available, the Academy will continue to deploy reserves which have been earmarked for this eventuality.

The Academy has actively explored the possibility of applying for and opening a new free school to open in Northampton in September 2021. An extensive due diligence exercise was carried out by a core team of Senior Leaders and Governors and a bid was submitted to the DfE in November 2018. Following a rigorous interview process with the DfE we were pleased to be notified in June 2019 that our bid was successfully accepted, however, to date both the site and the opening date of the new Northampton School are yet to be confirmed. The core working group continue to liaise with DfE officials to take this project forwards.

The Academy's three development plan strands for 2019-20 are:

- **Personal Development.** This has a focus on ensuring students have continued opportunities to further develop resilience, self-belief, confidence and independence to support their acquisition of literacy, oracy, numeracy and digital literacy skills in the curriculum, thus preparing them for life in modern Britain.
- **Behaviour and Attitudes.** This has a focus on the attitudes demonstrated by students to ensure that outstanding academic outcomes are maintained.
- **Quality of Education.** This has a focus on developing students' long term memory, fostering deep learning and promoting a knowledge rich curriculum.

#### **Funds held as custodian trustee on behalf of others**

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

#### **Donations**

The Northampton Old Grammar School Foundation donated £300,824.66 to the school during the year 2018-19 of which £664 contributed towards the travel costs related to our successful cup run in the Under 15 National rugby competition and £160.66 paid for the cost of cricket caps in a game against the MCC.

The Sir Thomas White Charity donated £8,100 to the school during 2018-19 to contribute towards the cost of reading pens for dyslexic students at the school.

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**NORTHAMPTON SCHOOL FOR BOYS**

**(A company limited by guarantee)**

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**Report of the Governors (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Disclosure of information to auditor**

In so far as the Governors are aware:

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

The Trustees' report was approved by order of the board of governors, as the company directors, on 16 December 2019 and signed on its behalf by:



**Mr P Bason**  
**Chair of Governors**



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## NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)

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### GOVERNANCE STATEMENT

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#### Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Northampton School For Boys 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 Governing Body has delegated the day to day responsibility to the Headmaster, 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 Northampton School for Boys and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mr P Bason, Chair	3	3
Mr A Hakes, Vice Chair	2	3
Mrs Y Edwards	0	3
Mr O Harris	3	3
Mr R Bernard, Head Teacher	2	3
Mrs M Kay	3	3
Mr J P Webb	3	3
Mr J Beswick	2	3
Mrs M Walker	3	3
Mrs M Jamieson	1	3
Mrs A Shaw	2	3
Mrs L Shakir	2	2
Mrs I Whitcroft	3	3
Dr F Thompson	1	3
Mr A Thomson	2	3
Mr N Martin	3	3
Mr M Ebsworth	3	3

The governing body 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 governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process and work of the individual governor committees is regularly reviewed by the governing body.

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## NORTHAMPTON SCHOOL FOR BOYS

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### GOVERNANCE STATEMENT (continued)

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The Governing Body holds the school leaders to account by:

- Reviewing critical information required to measure the effectiveness of the academy. This includes termly analysis of key performance indicators as set out by the DfE eg examination performance and attendance measures;
- Supportively challenging the Senior Leadership Team in Governor committees
- Linking with Curriculum Team Leaders, visiting curriculum areas and reporting back to the Curriculum committee

Governors continue to be supported with access to external training courses and workshops throughout the year organised by the Chair of Governors using 'GovernorSpace' and the Teaching School when required. Both the Chair of Governors and Vice Chair of Governors have previously undertaken and successfully passed the Governors Leadership Programme accredited by the National College for Teaching and Leadership.

The Chair of Governors regularly reviews the skill set of other governors carrying out one-to-one meetings with them on an annual basis. Part of this involves a review of committee memberships to ensure each committee has governors with skills that match as well as providing opportunities for governors to gain knowledge in other areas. This has been supported using the 'GovernorSpace' self-evaluation tool. This in turn helps with succession planning. The Chair of Governors has also undertaken a meeting with a sample key stakeholders from both the teaching and non-teaching staff across the Academy to canvass their views and opinions. This has fed into improvement plans implemented from September 2019.

The Governing Body deems it to have been another highly successful year for the Academy and has not identified any immediate challenges during the academic year.

The Finance and General Purposes Committee is a sub committee of the main Governing Body. Its purpose is to propose a draft budget, scrutinise management accounts including income and expenditure against the budget and an analysis of debtors and creditors, monitor systems of control and oversee statutory returns of a financial nature. The Chair of Governors has received monthly management accounts as set out in the Academies Financial handbook.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
P Bason	8	8
R Bernard	8	8
M Kay	6	8
M Walker	7	8
M Ebsworth	4	8
O Harris	8	8

#### Review of Value for Money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has

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## **NORTHAMPTON SCHOOL FOR BOYS**

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### **GOVERNANCE STATEMENT (continued)**

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delivered improved value for money during the year by:

- providing outstanding standards of education provision – the Ofsted inspection in November 2014 found the school to be 'Outstanding' in every category;
- achieving attainment and progress measures in the 2019 GCSEs which are well above national standards of expectation for both disadvantaged and non-disadvantaged students;
- effectively applying pupil premium funds to ensure that disadvantaged students make better progress than disadvantaged boys nationally and that their progress is close to that of all students at NSB;
- maintenance and improvement of outstanding facilities through remodelling and refurbishment across the whole school site;
- further enhancing exceptional extra curricular opportunities for all students through donated funds, enabling excellence in Music, Dance, Drama and Sport to continue. This has resulted in national recognition for Music and Dance and being named runner up State School of the Year for Sport in Britain 2019;
- increased consistency of class size in Sixth Form classes, reducing maximum class size and reducing the number of small class sizes, ensuring financial viability going forward;
- producing monthly budget monitoring reports for the Finance and General Purposes.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Northampton School for Boys for the year from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

#### **The Risk and Control Framework**

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

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

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## NORTHAMPTON SCHOOL FOR BOYS

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### GOVERNANCE STATEMENT (continued)

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The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Oliver Harris, a trustee and former Senior Deputy Headmaster/Finance Controller to carry out a programme of internal checks.

The internal reviewer'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:

- Confirming that the school management has appropriate policies, procedures and operations in place to operate within the Academies Financial Handbook,
- Testing the controls in place such as purchase and payment systems to ensure the school follows its policies, operations and procedures;
- Providing assurance on governance, risk management and internal financial controls;
- Confirming that appropriate action has been taken to implement recommendations from the external school audit.

On an annual basis, the reviewer reports to the Governing Body through the board of trustees through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of trustee's financial responsibilities.

Jervis and Partners were also appointed to perform additional audit checks which relate to the Teaching School Collaborative Fund Statement of Expenditure verification. This was signed off and approved by the DfE.

In addition, Jervis and Partners have been appointed to perform account audits and additional checks on our School Centred Initial Teacher Training provider, NTP, which operates under the Academy's financial systems.

All these internal reviews were completed as planned and findings reported to the Finance and General Purposes Committee. There were no material control issues arising as a result of these reviews.

#### Review of Effectiveness

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 on 16 December 2019 and signed on their behalf, by:



**Mr P Bason**  
Chair of Governors



**Mr R Bernard**  
Accounting Officer

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**NORTHAMPTON SCHOOL FOR BOYS**

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**Statement of Regularity, Propriety and Compliance**

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

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

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



**Mr R Bernard**  
**Accounting Officer**

Date: 16 December 2019

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## **NORTHAMPTON SCHOOL FOR BOYS**

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### **Governors' Responsibilities Statement FOR THE YEAR ENDED 31 AUGUST 2019**

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The Governors (who act as trustees for charitable activities of Northampton School For Boys and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

The Governors 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 Governing Body on 16 December 2019 and signed on its behalf by:



**Mr P Bason**  
**Chair of Governors**

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## NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)

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### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTHAMPTON SCHOOL FOR BOYS

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#### Opinion

We have audited the financial statements of Northampton School For Boys (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland, (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report including Reference and Administrative details, the Report of the Governors and

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## NORTHAMPTON SCHOOL FOR BOYS

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### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTHAMPTON SCHOOL FOR BOYS

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Strategic Report, the Governance Statement, the Statement on regularity, propriety and compliance, and the Governors' responsibilities statement, 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.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matter on which we are required to report under the Companies Act 2006**

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 Governors' Report and the Strategic Report.

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

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

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

#### **Responsibilities of trustees**

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



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## NORTHAMPTON SCHOOL FOR BOYS

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### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTHAMPTON SCHOOL FOR BOYS

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In preparing the financial statements, the Trustees are responsible for assessing the charitable company 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.

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

#### **Use of our report**

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

*Grant Thornton UK LLP*

Gareth Norris FCA (Senior statutory auditor)  
for and on behalf of

**Grant Thornton UK LLP**

Senior Statutory Auditor

Chartered Accountants

Milton Keynes

Date: 18 DECEMBER 2019

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## **NORTHAMPTON SCHOOL FOR BOYS**

**(A company limited by guarantee)**

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### **Independent Reporting Accountant's Assurance Report on Regularity to Northampton School for Boys and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 4 November 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northampton School For Boys during the year from 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **Respective responsibilities of Northampton School for Boys' accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Northampton School For Boys' funding agreement with the Secretary of State for Education dated 25 August 2010, and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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## NORTHAMPTON SCHOOL FOR BOYS

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### Independent Reporting Accountant's Assurance Report on Regularity to Northampton School for Boys and the Education Funding Agency (continued)

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The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- limited testing on a sample basis of income and expenditure for the areas identified as high risk.

#### Conclusion

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

#### Use of our report

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

*Grant Thornton UK LLP*

Reporting Accountant

**Grant Thornton UK LLP**

Senior Statutory Auditor  
Chartered Accountants

Milton Keynes

Date: 18 DECEMBER 2019

**NORTHAMPTON SCHOOL FOR BOYS**

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted income funds 2019 £	Restricted income funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	2	308,238	-	351,535	659,773	788,350
Charitable activities:	5					
Funding for the academy trust's educational operations		-	7,855,311	-	7,855,311	7,680,341
Teaching schools	27	-	130,573	-	130,573	201,078
Other trading activities	3	789,811	1,016,764	-	1,806,575	2,049,084
Investments	4	3,339	-	-	3,339	5,488
<b>Total income</b>		<b>1,101,388</b>	<b>9,002,648</b>	<b>351,535</b>	<b>10,455,571</b>	<b>10,724,341</b>
<b>Expenditure on:</b>						
Raising funds		452,783	465,831	-	918,614	1,175,518
Academy trust educational operations		1,198,927	8,706,916	743,366	10,649,209	10,529,387
Teaching schools	27	-	182,424	-	182,424	127,386
<b>Total expenditure</b>	7	<b>1,651,710</b>	<b>9,355,171</b>	<b>743,366</b>	<b>11,750,247</b>	<b>11,832,291</b>
<b>Net expenditure before transfers</b>		<b>(550,322)</b>	<b>(352,523)</b>	<b>(391,831)</b>	<b>(1,294,676)</b>	<b>(1,107,950)</b>
Transfers between funds	18	295,767	(278,590)	(17,177)	-	-
<b>Net expenditure before other recognised gains and losses</b>		<b>(254,555)</b>	<b>(631,113)</b>	<b>(409,008)</b>	<b>(1,294,676)</b>	<b>(1,107,950)</b>
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(1,070,000)	-	(1,070,000)	636,000
<b>Net movement in funds</b>		<b>(254,555)</b>	<b>(1,701,113)</b>	<b>(409,008)</b>	<b>(2,364,676)</b>	<b>(471,950)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		519,200	(648,887)	25,269,174	25,139,487	25,611,437
<b>Total funds carried forward</b>		<b>264,645</b>	<b>(2,350,000)</b>	<b>24,860,166</b>	<b>22,774,811</b>	<b>25,139,487</b>

The notes on pages 29 to 50 form part of these financial statements.

# NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)  
REGISTERED NUMBER: 07333885

## BALANCE SHEET AS AT 31 AUGUST 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	13		24,784,626		25,251,997
<b>Current assets</b>					
Stocks	15	14,055		14,896	
Debtors	16	228,711		223,257	
Cash at bank and in hand	21	896,709		1,517,908	
			<u>1,139,475</u>	<u>1,756,061</u>	
<b>Creditors:</b> amounts falling due within one year	17	(799,290)		(863,571)	
<b>Net current assets</b>			<u>340,185</u>		<u>892,490</u>
<b>Total assets less current liabilities</b>			<u>25,124,811</u>		<u>26,144,487</u>
Defined benefit pension scheme liability	23	(2,350,000)			(1,005,000)
<b>Net assets including pension scheme liabilities</b>			<u><u>22,774,811</u></u>		<u><u>25,139,487</u></u>
<b>Funds of the academy</b>					
Restricted funds:					
Restricted income funds	18	-		356,113	
Restricted fixed asset funds	18	24,860,166		25,269,174	
Restricted income funds excluding pension liability		24,860,166		25,625,287	
Pension reserve	18, 23	(2,350,000)		(1,005,000)	
Total restricted funds			<u>22,510,166</u>		<u>24,620,287</u>
Unrestricted income funds	18		<u>264,645</u>		<u>519,200</u>
<b>Total funds</b>			<u><u>22,774,811</u></u>		<u><u>25,139,487</u></u>

The financial statements on pages 29 to 50 were approved by the Governors, and authorised for issue, on 16 December 2019 and are signed on their behalf, by:



**Mr P Bason**  
Chair of Governors

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**NORTHAMPTON SCHOOL FOR BOYS**

**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	<b>(888,984)</b>	<b>(476,422)</b>
<b>Cash flows from investing activities:</b>			
Investment income		<b>3,339</b>	<b>5,488</b>
Purchase of tangible fixed assets		<b>(87,088)</b>	<b>(42,823)</b>
Capital grants from DfE and other capital income		<b>351,535</b>	<b>37,038</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>267,786</b>	<b>(297)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(621,198)</b>	<b>(476,719)</b>
Cash and cash equivalents brought forward		<b>1,517,907</b>	<b>1,994,626</b>
<b>Cash and cash equivalents carried forward</b>		<b>896,709</b>	<b>1,517,907</b>

The notes on 29 to 50 form part of these financial statements.

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## **NORTHAMPTON SCHOOL FOR BOYS**

**(A company limited by guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1. Accounting Policies**

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

##### **1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### **1.2 Consolidation**

Consolidated financial statements have not been prepared as the results of the subsidiary companies are not considered to be material to the academy's results.

##### **1.3 Going concern**

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

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

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## **NORTHAMPTON SCHOOL FOR BOYS**

**(A company limited by guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1. Accounting Policies (continued)**

##### **1.5 Income**

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

##### **1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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



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## NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. Accounting Policies (continued)

##### 1.7 Tangible fixed assets and depreciation

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

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

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

Long leasehold land	-	125 years straight line
Long leasehold buildings	-	50 years straight line
Furniture and equipment	-	5 years straight line
Motor vehicles	-	5 years straight line
Computer equipment	-	3 years straight line

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

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

##### 1.8 Taxation

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

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## **NORTHAMPTON SCHOOL FOR BOYS**

**(A company limited by guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1. Accounting Policies (continued)**

##### **1.9 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the academy. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.10 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### **1.11 Debtors**

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

##### **1.12 Cash at bank and in hand**

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

##### **1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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.

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## NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. Accounting Policies (continued)

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

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

#### 1.14 Liabilities and provisions

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

#### 1.15 Financial instruments

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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## NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1.16 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*Critical areas of judgement:*

No other areas of critical judgement have been identified.

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

	Unrestricted income funds 2019 £	Restricted income funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	308,238	-	-	308,238	173,604
Other donations	-	-	-	-	614,746
Capital grants	-	-	351,535	351,535	-
	<b>308,238</b>	<b>-</b>	<b>351,535</b>	<b>659,773</b>	<b>788,350</b>
<i>Total 2018</i>	<i>728,350</i>	<i>-</i>	<i>60,000</i>	<i>788,350</i>	

# NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 3. Other trading activities

	Unrestricted income funds 2019 £	Restricted income funds 2019 £	Total funds 2019 £	Total funds 2018 £
Catering income	462,894	-	462,894	462,295
Hire of facilities	149,611	-	149,611	147,412
Other sundry income	94,480	1,016,764	1,111,244	1,356,676
Peripatetic income	82,826	-	82,826	82,701
	<u>789,811</u>	<u>1,016,764</u>	<u>1,806,575</u>	<u>2,049,084</u>
<i>Total 2018</i>	<u>773,349</u>	<u>1,275,735</u>	<u>2,049,084</u>	

### 4. Investment income

	Unrestricted income funds 2019 £	Restricted income funds 2019 £	Total funds 2019 £	Total funds 2018 £
Short term deposits	3,339	-	3,339	5,488
	<u>3,339</u>	<u>-</u>	<u>3,339</u>	<u>5,488</u>
<i>Total 2018</i>	<u>5,488</u>	<u>-</u>	<u>5,488</u>	

### 5. Income from charitable activities

	Unrestricted income funds 2019 £	Restricted income funds 2019 £	Total funds 2019 £	Total funds 2018 £
Funding for the Academy Trust's educational operations	-	7,855,311	7,855,311	7,680,341
	<u>-</u>	<u>7,855,311</u>	<u>7,855,311</u>	<u>7,680,341</u>
<i>Total 2018</i>	<u>-</u>	<u>7,680,341</u>	<u>7,680,341</u>	

# NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### Funding for academy's educational operations

	Unrestricted income funds 2019 £	Restricted income funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,380,118	7,380,118	7,284,941
Other DfE / ESFA grants	-	386,236	386,236	287,720
Local authority grants	-	88,957	88,957	107,680
	-	7,855,311	7,855,311	7,680,341
<i>Total 2018</i>	-	7,680,341	7,680,341	

### 6. Expenditure on academy's educational operations

	Unrestricted income funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Direct costs	91,592	7,291,065	7,382,657	7,017,562
Support costs	1,107,335	2,159,217	3,266,552	3,511,825
	1,198,927	9,450,282	10,649,209	10,529,387
<i>Total 2018</i>	1,438,993	9,090,394	10,529,387	

# NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted income funds £	Restricted funds £	2019 £	2018 £
<b>Direct costs</b>				
Teaching and educational support staff costs	11,629	6,017,198	6,028,827	5,733,196
Depreciation	-	743,366	743,366	521,916
Educational supplies	38,487	183,090	221,577	245,340
Examination fees	-	176,730	176,730	175,560
Staff development	6,688	44,089	50,777	68,884
Educational consultancy	-	-	-	90,340
Other direct costs	3,788	126,592	130,380	145,326
Defined benefit pension costs	31,000	-	31,000	37,000
<b>Total</b>	<b>91,592</b>	<b>7,291,065</b>	<b>7,382,657</b>	<b>7,017,562</b>

	Unrestricted income funds £	Restricted funds £	2019 £	2018 £
<b>Support costs</b>				
Support staff costs	1,107,335	604,959	1,712,294	1,812,380
Maintenance of premises and equipment	-	352,908	352,908	496,373
Cleaning	-	20,164	20,164	20,070
Insurance	-	40,737	40,737	40,329
Security and transport	-	26,626	26,626	42,925
Catering	-	45,919	45,919	48,973
Other support costs	-	723,821	723,821	702,131
Rent & rates	-	117,437	117,437	130,277
Energy costs	-	210,851	210,851	204,287
Governance costs	-	15,795	15,795	14,080
<b>Total</b>	<b>1,107,335</b>	<b>2,159,217</b>	<b>3,266,552</b>	<b>3,511,825</b>

# NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 7. Analysis of resources expended

	Staff costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising voluntary income					
Direct costs	163,438	-	755,176	918,614	1,175,518
Support costs	-	-	-	-	-
Direct costs	6,028,827	743,366	610,464	7,382,657	7,017,562
Support costs	1,712,294	829,185	725,073	3,266,552	3,511,825
Teaching schools	177,741	-	4,683	182,424	127,386
	<u>8,082,300</u>	<u>1,572,551</u>	<u>2,095,396</u>	<u>11,750,247</u>	<u>11,832,291</u>
<i>Total 2018</i>	<u>7,849,292</u>	<u>1,413,252</u>	<u>2,569,747</u>	<u>11,832,291</u>	

### 8. Net expenditure

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	743,366	521,916
Auditor's remuneration - audit	12,050	9,790
External auditor's remuneration - other services	3,560	3,440
External auditor's remuneration - other ESFA requirements	<u>2,400</u>	<u>2,865</u>



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**NORTHAMPTON SCHOOL FOR BOYS**

(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**9. Staff costs****a. Staff costs**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	6,180,397	5,940,785
Social security costs	611,763	582,589
Operating costs of defined benefit pension schemes	1,252,256	1,223,973
	<hr/>	<hr/>
	8,044,416	7,747,347
Agency staff costs	37,884	94,441
Staff restructuring costs	-	7,504
	<hr/>	<hr/>
	8,082,300	7,849,292
	<hr/>	<hr/>

Staff restructuring costs comprise:

Staff restructuring costs	-	7,504
	<hr/>	<hr/>

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	92	94
Administration and support	121	120
Management	8	8
	<hr/>	<hr/>
	221	222
	<hr/>	<hr/>

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1
In the band £140,001 - £150,000	0	1
In the band £150,001 - £160,000	1	0

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £104,058 (2018: £90,748).

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**NORTHAMPTON SCHOOL FOR BOYS**

**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**9. Staff costs (continued)**

**d. Key management personnel**

The key management personnel of the academy trust comprise the senior leadership team and staff governors. The total amounts of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £933,226 (2018: £793,821)

**10. Governors' and officers' insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost for this insurance is included in the total insurance cost.

**11. Governors' remuneration and expenses**

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

		<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
Mr R Bernard (Headmaster and Governor)	Remuneration	<b>155-160</b>	<b>140-145</b>
	Pension contributions paid	<b>25-30</b>	<b>20-25</b>
Mr P Loughney (Staff Governor) Resigned 31 October 2018	Remuneration	<b>5-10</b>	<b>50-55</b>
	Pension contributions paid	<b>0-5</b>	<b>5-10</b>
Mrs L Shakir (Staff Governor)	Remuneration	<b>35-40</b>	-
	Pension contributions paid	<b>5-10</b>	-
Mrs A Shaw (Staff Governor)	Remuneration	<b>15-20</b>	<b>10-15</b>
	Pension contributions paid	<b>0-5</b>	<b>0-5</b>

During the year ended 31 August 2019, no Trustees received any reimbursement of expenses (2018 - None).

**12. Other finance income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest on pension scheme liabilities	<b>(31,000)</b>	<b>(37,000)</b>

# NORTHAMPTON SCHOOL FOR BOYS

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 13. Tangible fixed assets

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2018	28,957,672	55,562	127,236	29,140,470
Additions	-	275,995	-	275,995
At 31 August 2019	28,957,672	331,557	127,236	29,416,465
<b>Depreciation</b>				
At 1 September 2018	3,754,223	55,562	78,688	3,888,473
Charge for the year	726,833	-	16,533	743,366
At 31 August 2019	4,481,056	55,562	95,221	4,631,839
<b>Net book value</b>				
At 31 August 2019	24,476,616	275,995	32,015	24,784,626
At 31 August 2018	25,203,449	-	48,548	25,251,997

### 14. Fixed asset investments

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Holding
Chipsey Limited	100%
Northampton School for Boys Charitable Trust Limited	100%

The aggregate of the share capital and reserves as at 31 August 2019 and of the profit and loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves	Profit
	£	£
Chipsey Limited	(83,167)	-
Northampton School for Boys Charitable Trust Limited	72,572	51,346

### 15. Stocks

	2019 £	2018 £
Finished goods and goods for resale	14,055	14,896

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**16. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>6,462</b>	9,548
Sundry debtors and accrued income	<b>174,097</b>	163,392
Prepayments	<b>48,152</b>	50,317
	<b>228,711</b>	223,257

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>69,067</b>	369,789
Other taxation and social security	<b>150,538</b>	145,205
Other creditors	<b>125,428</b>	122,318
Accruals and deferred income	<b>454,257</b>	226,259
	<b>799,290</b>	863,571

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2018	<b>97,923</b>	267,958
Resources deferred during the year	<b>204,331</b>	97,923
Amounts released from previous years	<b>(97,923)</b>	(267,958)
Deferred income at 31 August 2019	<b>204,331</b>	97,923

Deferred income relates to funds held on behalf of the Northamptonshire Teacher Training Partnership of £29,635 (2018: £32,700) and school trip income received in respect of future trips of £174,696 (2018: £65,223).

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds - all funds	519,200	1,101,388	(1,651,710)	295,767	-	264,645
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	7,380,118	(7,380,118)	-	-	-
Other ESFA grants	-	386,236	(403,413)	17,177	-	-
Local authority grants	-	88,957	(88,957)	-	-	-
Other activities	8,495	1,016,764	(1,025,259)	-	-	-
Teaching schools	347,618	130,573	(182,424)	(295,767)	-	-
Pension reserve	(1,005,000)	-	(275,000)	-	(1,070,000)	(2,350,000)
	(648,887)	9,002,648	(9,355,171)	(278,590)	(1,070,000)	(2,350,000)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	25,269,174	351,535	(743,366)	(17,177)	-	24,860,166
Total restricted funds	24,620,287	9,354,183	(10,098,537)	(295,767)	(1,070,000)	22,510,166
Total of funds	25,139,487	10,455,571	(11,750,247)	-	(1,070,000)	22,774,811

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

The Restricted General Funds - GAG, Other EFA Grants and Local authority grants - are specifically restricted to the advancement of public benefit education in the United Kingdom, by the establishment, maintenance, management and development of the school.

The pension reserve relates to the deficit arising from the defined benefit pension valuation relating to the Academy's share of the Local Government Pension Scheme.

The donations of fixed assets are restricted to the advancement of public benefit education in the United Kingdom, by the establishment, maintenance, management and development of the school.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 18. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Statement of funds - prior year</b>					
General Funds - all funds	952,926	1,507,187	(1,940,913)	-	519,200
<b>Restricted funds</b>					
General Annual Grant (GAG)	-	7,284,941	(7,284,941)	-	-
Other ESFA grants	-	287,720	(287,720)	-	-
Local authority grants	-	107,680	(107,680)	-	-
Other activities	8,495	1,275,735	(1,275,735)	-	8,495
Teaching schools	273,926	201,078	(127,386)	-	347,618
Pension reserve	(1,355,000)	-	(286,000)	636,000	(1,005,000)
	(1,072,579)	9,157,154	(9,369,462)	636,000	(648,887)
<b>Restricted fixed asset funds</b>					
Restricted Fixed Asset Funds - all funds	25,731,090	60,000	(521,916)	-	25,269,174

### 19. Analysis of net assets between funds

	<b>Unrestricted income funds 2019 £</b>	<b>Restricted income funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	24,784,626	24,784,626
Current assets	264,645	610,383	264,447	1,139,475
Creditors due within one year	-	(610,383)	(188,907)	(799,290)
Provisions for liabilities and charges	-	(2,350,000)	-	(2,350,000)
	264,645	(2,350,000)	24,860,166	22,774,811

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 19. Analysis of net assets between funds (continued)

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

	<i>Unrestricted income funds 2018 £</i>	<i>Restricted income funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	25,251,997	25,251,997
Current assets	519,200	1,219,684	17,177	1,756,061
Creditors due within one year	-	(863,571)	-	(863,571)
Provisions for liabilities and charges	-	(1,005,000)	-	(1,005,000)
	<u>519,200</u>	<u>(648,887)</u>	<u>25,269,174</u>	<u>25,139,487</u>

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

	<b>2019 £</b>	<b>2018 £</b>
Net expenditure for the year (as per Statement of Financial Activities)	<b>(1,294,676)</b>	<b>(1,107,950)</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>743,366</b>	<b>521,916</b>
Investment income	<b>(3,339)</b>	<b>(5,488)</b>
Decrease in stocks	<b>841</b>	<b>4,205</b>
Increase in debtors	<b>(5,454)</b>	<b>(108,215)</b>
Decrease in creditors	<b>(253,187)</b>	<b>(29,852)</b>
Capital grants from DfE and other capital income	<b>(351,535)</b>	<b>(37,038)</b>
Defined benefit pension scheme FRS 102 adjustment	<b>275,000</b>	<b>286,000</b>
<b>Net cash used in operating activities</b>	<b><u>(888,984)</u></b>	<b><u>(476,422)</u></b>

### 21. Analysis of cash and cash equivalents

	<b>2019 £</b>	<b>2018 £</b>
Cash in hand	<b>896,709</b>	<b>1,517,907</b>
<b>Total</b>	<b><u>896,709</u></b>	<b><u>1,517,907</u></b>

### 22. Contingent liabilities

There were no contingent liabilities at 31 August 2019 or 31 August 2018.

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## **NORTHAMPTON SCHOOL FOR BOYS**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **23. Pension commitments**

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

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

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

#### **Teachers' Pension Scheme**

##### **Introduction**

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

##### **The Teachers' Pension Budgeting and Valuation Account**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

A copy of the latest valuation report is on the Teachers' Pension website ([www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx)).

The employer's pension costs paid to TPS in the period amounted to £720,771 (2018 - £693,973).



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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 23. Pension commitments (continued)

##### Teachers' Pension Scheme Changes

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

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £358,000 (2018 - £356,000), of which employer's contributions totalled £280,000 (2018 - £281,000) and employees' contributions totalled £78,000 (2018 - £75,000). The agreed contribution rates for future years are 17.7% for employers and between 5.5% and 6.8% for employees.

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

Principal actuarial assumptions:

	2019	2018
Discount rate for scheme liabilities	1.80 %	2.80 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2019	2018
Retiring today		
Males	21.2	22.1
Females	23.3	24.2
Retiring in 20 years		
Males	22.3	23.9
Females	24.7	26.1

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Pension commitments (continued)**

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

	<b>Fair value at 31 August 2019 £</b>	<i>Fair value at 31 August 2018 £</i>
Equities	<b>4,704,480</b>	<i>4,421,500</i>
Bonds	<b>1,110,780</b>	<i>896,250</i>
Property	<b>588,060</b>	<i>478,000</i>
Cash	<b>130,680</b>	<i>179,250</i>
Total market value of assets	<b>6,534,000</b>	<i>5,975,000</i>

The actual return on scheme assets was £301,000 (2018 - £296,000).

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

	<b>2019 £</b>	<i>2018 £</i>
Current service cost	<b>(493,000)</b>	<i>(530,000)</i>
Past service cost	<b>(31,000)</b>	<i>-</i>
Interest cost	<b>(31,000)</b>	<i>(37,000)</i>
Total	<b>(555,000)</b>	<i>(567,000)</i>

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

	<b>2019 £</b>	<i>2018 £</i>
Opening defined benefit obligation	<b>6,980,000</b>	<i>6,759,000</i>
Current service cost	<b>493,000</b>	<i>530,000</i>
Interest cost	<b>202,000</b>	<i>175,000</i>
Employee contributions	<b>78,000</b>	<i>75,000</i>
Actuarial losses/(gains)	<b>1,200,000</b>	<i>(478,000)</i>
Benefits paid	<b>(100,000)</b>	<i>(81,000)</i>
Past service costs	<b>31,000</b>	<i>-</i>
Closing defined benefit obligation	<b>8,884,000</b>	<i>6,980,000</i>

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 23. Pension commitments (continued)

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

	2019 £	2018 £
Opening fair value of scheme assets	5,975,000	5,404,000
Interest income	171,000	138,000
Return on plan assets (excluding net interest on the net defined pension liability)	130,000	158,000
Employer contributions	280,000	281,000
Employee contributions	78,000	75,000
Benefits paid	(100,000)	(81,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	6,534,000	5,975,000
	<hr/>	<hr/>

The academy trust expects to make employer contributions of £268,000 in the year ending 31 August 2020.

#### 24. Related party transactions

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

	2019 £	2018 £
Donations received from NOGSF	300,136	614,746
	<hr/>	<hr/>

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 a trustee 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.

#### 25. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the trust received £29,604 (2018: £28,293) and distributed £21,688 (2018: £13,704) from the fund. An amount of £22,505 (2018: £14,589) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

#### 26. Members' liability

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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 27. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
<b>Direct income</b>				
Funding received	130,573		201,078	
<b>Total income</b>		130,573		201,078
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	148,618		127,386	
Other staff costs	29,123		-	
<b>Total Direct expenditure</b>	177,741		127,386	
<b>Other expenditure</b>				
Other costs	4,683		-	
<b>Total expenditure</b>		182,424		127,386
<b>Transfers between funds excluding depreciation</b>		(295,767)		-
<b>(Deficit) / Surplus from all sources</b>		(347,618)		73,692
<b>Teaching school balances at 1 September 2018</b>		347,618		273,926
<b>Teaching school balances at 31 August 2019</b>		-		347,618

Surpluses generated on teaching schools relate to self-generated income and are therefore unrestricted funds. Accordingly, a transfer has been effected out of restricted funds and into unrestricted funds at the year end.