

Report of the Trustees and
Financial Statements For The Year Ended 31 August 2017
for
Northern Ambition Academies Trust

Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Northern Ambition Academies Trust

Contents of the Financial Statements
For The Year Ended 31 August 2017

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 12
Governance Statement	13 to 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees Responsibilities	17
Report of the Independent Auditors	18 to 19
Independent Accountant's Report on Regularity	20
Statement of Financial Activities	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Cash Flow Statement	24
Notes to the Financial Statements	25 to 41

Northern Ambition Academies Trust

Reference and Administrative Details
For The Year Ended 31 August 2017

MEMBERS	L Shaw S Allsop (Responsible Officer) M Dixon
TRUSTEES	M Dixon S Allsop (Responsible Officer) (resigned 1.9.2017) L Shaw (Chair) J E Winterbottom (resigned 30.4.2017) A Latham R A Hall E Fairhurst (Accounting Officer) (appointed 1.9.2016) S M Baker (appointed 18.5.2017) D Broadbent (appointed 19.7.2017) S J Groves (appointed 18.5.2017)
COMPANY SECRETARY	A Byard
SENIOR MANAGEMENT TEAM	J Healy (Director of School Improvement & Partnerships) E Fairhurst (CEO & Principal Airedale Academy) (appointed 1.9.2016) C Wilkinson (Headteacher, Airedale Junior School) A Byard (Director of Finance & Resources/Chief Financial Officer) J E Winterbottom (Headteacher Airedale Infants School) J Chapman (Headteacher Oyster Park Primary School) (appointed 22.3.2017) N Manley (Headteacher Airedale Infant School) (appointed 1.5.2017) K Robinson (Headteacher Airedale Junior School) (appointed 1.11.16)
REGISTERED OFFICE	Crewe Road Airedale CASTLEFORD West Yorkshire WF10 3JU
REGISTERED COMPANY NUMBER	07556117 (England and Wales)
AUDITORS	Allotts Business Services Ltd, Statutory Auditor Chartered Accountants The Old Grammar School 13 Moorgate Road Rotherham South Yorkshire S60 2EN
SOLICITORS	Wrigleys Solicitors 19 Cookridge Street Leeds LS2 3AG
BANKERS	Lloyds TSB Plc Wakefield Westgate Branch PO Box 1000 BX1 1LT

Northern Ambition Academies Trust

Report of the Trustees **For The Year Ended 31 August 2017**

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

This has been a year of stability in terms of the size of the Trust, as no new schools have joined the Trust during this financial year. The Trust continues to comprise Airedale Academy (capacity 1250, NOR 916 including sixth form), Airedale Infants School (capacity 150, NOR 144 plus 38 in nursery), Airedale Junior School (capacity 480 and NOR 411) and Oyster Park Primary Academy (capacity 420 and NOR 361 plus 44 in nursery) – figures correct as at 5 October 2017. However, there have been some significant changes in personnel, with departures and retirements resulting in a complete refresh of the primary school members of the executive team. The new CEO/Principal of Airedale Academy arrived in September 2016, and during the course of the year the Trust has gone from strength to strength in terms of the pace and urgency of its strategy for school improvement, culminating in a change of name, a thorough review of governance, a stronger sense of unity and collaboration among staff within the Trust, and successful Ofsted inspections of two of the Trust's schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Northern Ambition Academies Trust (the Trust) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The trustees of Northern Ambition Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Northern Ambition Academies Trust, having changed its name from Airedale Academies Trust on 6 July 2017, and operates four academies: Airedale Academy, Oyster Park Primary School, Airedale Infant School and Airedale Junior School.

A decision was made to change the name of the Trust to reflect the new outlook and aspiration for the organisation and to demonstrate our ambition to impact on and improve the life chances of children from deprived communities across the North of England. As part of the change, Oyster Park Primary School's governors decided to rename the school as Oyster Park Primary Academy to demonstrate the school's fresh start as an improving school. Oyster Park Primary School applied to the Department for Education to change its name in July 2017.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The Trust does not purchase separate insurance for Trustees' indemnities as it buys into the Risk Protection Arrangement offered by the Department for Education, which provides appropriate cover for the trustees' liabilities.

Method of Recruitment and Appointment or Election of Trustees/Directors

Following a review of governance which took place during Spring 2017, some changes were made to the governance structure and the composition of the Board and its sub-committees. Under the new arrangements, members of the Trust may appoint up to nine Directors by any process as they may determine. There must be at least two Parent Directors unless there are Academy Councils which include at least two Parent Members. In addition, the Chief Executive Officer is an ex-officio director. The directors may appoint Co-opted Directors. At the beginning of the reporting period (under the original governance structure) the total number of directors (including the Chief Executive Officer) who were employees of the Trust was not to exceed one third of the total number of directors; following the review of governance, this has now been restricted to the CEO ex officio. The table below gives details of the directors, which group they belong to, who is entitled to elect them and where the details of their appointment can be found in the Articles of Association.

Type	Name	Number/proportion	Appointed/elected by	Section of Articles
Chief Executive	Mrs E Fairhurst	1	Directors. Ex-officio	46b, 57, 107
Directors	Mr M Dixon Mr S Allsopp (to 1 September 2017) Cllr L Shaw Ms A Latham Mr R Hall Mr S Baker (from 18 May 2017) Mr S Groves (from 18 May 2017) Mr D Broadbent (from 19 July 2017)	Up to 8	Members. Intended to have a balance of skills and experience appropriate to the needs of the Board at the time, as identified by skills audits and gaps analysis	47, 58

Northern Ambition Academies Trust

Report of the Trustees **For The Year Ended 31 August 2017**

Type	Name	Number/proportion	Appointed/elected by	Section of Articles
Staff Directors	Mrs E Fairhurst Mrs J Winterbottom (to 30 April 2017)	No more than 1/3 of total, including Chief Executive, to 30 April 2017; CEO only from 1 May 2017	Directors or Members. Headteacher or other member of the Leadership Team from Trust schools.	50B, 58
Parent Directors	None as parents are represented on each Academy Council.	At least two unless there are at least two parent governors on each Academy Council.	Directors	53-56

Members identify, through periodic audits of skills, where there are skills lacking on the Board of Trustees and seek nominations from suitably-qualified persons to fill any vacancies, and from time to time receive expressions of interest in joining the Board of Trustees, which are considered as and when vacancies arise. Priority in appointing individuals to the Board goes to those individuals with skills which are needed by the Trust, and to individuals with a link to the community of Airedale.

Following the review of governance this year, a number of gaps were identified in the skills and experience required by the Board, and it was clear that changes were needed to align with the published 'strong preferences' of DfE relating to the size and composition of Trust Boards. In view of this, the organisation engaged with Academy Ambassadors and used local networks to identify a further three Trustees with skills needed by the organisation and who shared the Trust's vision, ethos and values; these individuals joined the Board in Summer 2017.

Trustees are subject to retirement by rotation every four years, except that this time limit shall not apply to the Chief Executive. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend upon their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All trustees are offered the opportunity to visit the academies and to meet with staff and students to develop their knowledge of the phases of education being delivered within the Trust. All trustees are provided with copies of relevant policies, procedures, minutes, budgets, reports and other documents which they will need in order to discharge their responsibilities as directors and trustees.

Organisational Structure

Northern Ambition Academies Trust is a family of academies with a single shared vision, a single Board of Trustees and a single Scheme of Delegation. The Scheme of Delegation sets out the powers the Trust's committees (including Academy Councils) and executive officers may exercise on behalf of the Trustees. In accordance with requirements this is published on the Trust's website www.northernambition.org.uk

Our model of governance is designed to reflect the overall responsibility of the Trust Board, the line management of Headteachers/Heads of School by education professionals, and the value of the local experience and understanding of Academy Councils in assessing the performance of their academy and its interaction with the local community.

The company has three layers of corporate governance which sit alongside two executive layers and one consultative group.

Corporate governance

Members

Members are the subscribers to the Memorandum of Association. They are the equivalent of shareholders of the company (although unlike shareholders they do not have rights of ownership of the company, or receive dividends or any other remuneration). Each member undertakes to contribute £10 to the liabilities of the company in the event of it being wound up.

Northern Ambition Academies Trust

Report of the Trustees **For The Year Ended 31 August 2017**

Corporate governance

Members

Key responsibilities

- Establishing the purpose of the company
- Overseeing the achievement of the objectives of the company, acting as the 'conscience' and 'moral guardian' of the company's purpose and values
- Undertaking such legal duties reserved to members as are set out in the relevant legislation, such as changing the name of the company and amending the Articles
- Appointing other members and some of the Trustees
- Overseeing the performance of the Trustees
- Receiving and approving the company's financial accounts and annual report
- Appointing the auditors, based on the recommendation of the Risk and Audit Committee
- Committing to contribute a maximum of £10 to the debts of the company in the event of it being wound up
- Taking part in Annual General Meetings and any other General Meetings

Trust Board (sometimes called Board of Directors)

Appointed by the members, Trustees are responsible for the effective operation of the Trust and each academy. They have legal duties as company directors and charity trustees, and provide ongoing challenge and support to the executive team. The Board of Trustees is responsible for setting general policy, guiding the strategic direction of the Trust, adopting an annual plan and budget, monitoring the use of the Trust's resources, making major decisions about capital expenditure and changes to the Trust establishment, and participating in senior staff appointments

Committees of the Board

These committees are established by the Trust Board to support and advise the Trustees on the work of the Trust and its academies. The Trust Board determines the remit of each of these committees, their membership and the powers it will delegate to them.

Risk and Audit Committee

The Risk and Audit Committee is a committee of the Board. It is the role of the Risk and Audit Committee to act on behalf of the Board to monitor the risks facing the Trust and ensure that appropriate strategies are put in place to eliminate or mitigate these risks.

Resources Committee

The Resources Committee is a committee of the Board. It is the role of the Resources Committee to act on behalf of the Board to ensure value for money, to make decisions about the administration of the financial, physical and human resources of the Trust within its delegated levels and to monitor the appropriate use of resources by the Chief Executive Officer and other staff within their delegated authorities.

Recruitment and Development Committee

The Recruitment and Development Committee is a committee of the Board. It is the role of the Recruitment and Development Committee to act on behalf of the Board to review the effectiveness of the Trust's governance, identify skills gaps or potential skills gaps in governance across the Trust and recruit or develop individuals to meet the needs of the Trust's structures.

Academy Councils

Academy Councils are committees of the Trust Board. It is the role of the Academy Council to support the translation of the Trust's vision and mission into their own school, to ensure the Academy complies with all policies and procedures established by the Trust Board or where required by legislation, to support and strengthen their academy's leadership through robust challenge and to develop links with the local community and stakeholders of the school.

Consultative group

Academy Council Forum

This is a mechanism by which the chairs of the Academy Councils meet with the Chair of the Trust Board to ensure effective communication and understanding between the layers of governance within the Trust.

Executive structures

Trust Executive Team

This group comprises the senior executive officers of the Trust, led by the CEO, and is responsible for the operational management of the Trust and its schools, including monitoring performance and ensuring the Trust's strategy and policies are translated into action across the schools. The Chief Executive is responsible for the overall day-to-day operation of the Trust and the Chief Financial Officer has financial oversight of the Trust on a day-to-day basis.

Academy Leadership Team

This group is responsible for the day-to-day running of each individual academy within the Trust, within the parameters set out by the Executive Team. Senior leaders are responsible for authorising expenditure within agreed budgets and appointing staff within the existing establishment; appointments for Headteacher posts always include at least one member of the Board of Trustees.

Northern Ambition Academies Trust

Report of the Trustees **For The Year Ended 31 August 2017**

Arrangements for setting pay and remuneration of key management personnel

In determining the pay of the Trust's headteachers, the Trust sets an Individual School Range (ISR) of seven points for the Headteacher within the range of salaries applicable to the Headteacher group of the school. The range is determined on the basis of the school size and circumstances. Changes in responsibilities and the positioning of other members of the Leadership Group on the pay spine may be taken into consideration.

On appointment a Headteacher will normally be placed at the minimum of the range but the relevant body in the scheme of delegation may consider placing the successful candidate on a higher point if their existing salary exceeds the minimum of the ISR. The Headteacher must demonstrate sustained high quality of performance, with particular regard to leadership and management and pupil progress at the school, and will be subject to a review of performance against performance objectives, before any progression through the range will be awarded.

The relevant body may determine that payments in addition to the salary arising from the Headteacher's point on the ISR should be made in circumstances where:

- the school is a school causing concern;
- without such additional payment the relevant body considers that the school would have substantial difficulty filling the vacant Headteacher post;
- without such additional payment the relevant body considers the school would have substantial difficulty retaining the existing Headteacher; **or**
- the Headteacher is appointed as a temporary Headteacher of one or more additional schools.

This is provided that in each case that the relevant body has not previously taken such reason or circumstance into account when determining the ISR. However all discretionary payments made to a Headteacher in respect of any school year must not exceed 25% of the amount which corresponds to that individual's point on their ISR for that year

In setting the remuneration of the Trust's CEO, the Trust Board will set a seven-point ISR range in line with that applicable to the school for which the CEO acts as Headteacher/Principal, but with the option to extend this range by a further two points to reflect the additional responsibilities of the role of CEO. The CEO is subject to the same performance management and pay progression arrangements as other headteachers within the Trust; access to the extended range will be once the CEO reaches the top of the seven point range set for their school and subject to demonstrating exceptional performance in leadership, management and pupil progress across the wider Trust.

Remuneration for the Director of Partnerships and Director of Finance and Operations is set with reference to other leadership posts in the Trust's schools by comparing the levels of responsibility attached to these posts with those of other school senior leaders and determining an appropriate five-point range on the Leadership pay spine. The top of the range for the Directors of Partnerships and Finance and Operations must be at least one point lower than the bottom of the range for the highest-paid Headteacher in the Trust.

Connected Organisations, including Related Party Relationships

The Trust works closely with the two other maintained schools within the Airedale pyramid - Townville Infants' School and Fairburn View Primary School - as part of a collaborative partnership in the interests of all pupils within the locality. This involves developing shared policies and protocols where this is of benefit to schools within the pyramid.

Airedale Academy acts as the sponsor for both Oyster Park Primary School and Airedale Junior School under the academy sponsorship arrangements for schools which are not yet good.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The charitable object of the Trust is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, managing and developing schools which provide high quality education to students from all backgrounds by offering a broad curriculum and fostering collaboration across the Trust family of schools, other schools and the wider community.

Northern Ambition Academies Trust is the legal entity responsible for the operation and governance of all academies within the Trust. The academies within the Trust are not legal entities in their own right – like maintained schools they do not have a legal personality. This means that all the assets and liabilities of each academy run by the Trust are owned by the Trust, all contracts are held and entered into by the Trust, and all staff at the constituent academies are employed by the Trust. However, each academy has its own identity within the Northern Ambition Academies Trust family and contributes uniquely to the success of the organisation.

As a Trust:

- We believe that every child, whatever their background or circumstances, should be given the opportunity to flourish, succeed and dream.
- We believe that our schools have a duty to contribute to the improvement of our local communities and wider society.
- We believe that all schools within our Trust, irrespective of their starting points, bring something valuable to contribute to our success and the achievement of our collective goals.
- We believe in the importance of working together in the best interests of the children in our communities.

Northern Ambition Academies Trust

Report of the Trustees For The Year Ended 31 August 2017

OBJECTIVES AND ACTIVITIES

Objects and Aims

Our vision is a world where all children and young people are given the opportunity to thrive, succeed and aspire.

Children are at the centre of what we do. We are an organisation where

- every pupil will be supported and challenged to reach their potential
- we aim to provide the best possible preparation for our pupils to contribute to society and live fulfilled lives
- we look for the best in everyone and our starting point is that everyone in our organisation wants to learn and to contribute positively to the academy and wider society

Our mission is for every child to leave our schools equipped with the essential skills they need to contribute effectively to society and to become well-rounded, confident, happy adults. To do this we believe in the following values and try to keep these at the heart of what we do:

Ambition

- We aim high and don't put limits on ourselves or other people;
- We are relentless in assessing our performance and seeking to continuously improve;
- We make the most of the opportunities offered to us to help us achieve our goals.

Bravery

- We try new things and see mistakes as an opportunity to learn;
- We don't shy away from tough decisions or difficult situations;
- We don't give up if things are hard.

Respect

- We think about the impact of our actions on others in the choices we make;
- We value what makes us different and believe everyone has something to contribute;
- We encourage honest, open debate and listen to constructive feedback about how to make things better.

Northern Ambition Academies Trust intends to achieve this by:

- Developing a shared vision and values which have buy in from all stakeholders and which will attract other schools with similar values to join our Trust
- Establishing secure and effective governance at Trust and school level
- Implementing strategies to ensure that the Trust and its schools are financially sound
- Ensuring that, across all the Trust's schools, children make exceptionally good progress
- Continuing to develop our capacity for school improvement so we are in a position to grow and support other schools

Objectives, Strategies and Activities

The main objectives for the Academy Trust in the previous year were:

- Develop a shared vision and values which has buy-in from all stakeholders
- Improve the effectiveness of governance at all levels across the Trust
- Develop an improved financial model for the Trust's centralised operations
- Increase capacity within the Trust for supporting school improvement and growth
- Ensure that children in all the Trust's schools make great progress

The main priorities for Airedale Academy in 2016/17 were:

- To raise achievement of all students at all levels
- To improve further the quality of teaching, learning and assessment
- To ensure appropriate allocation of school funds and resources
- To improve the behaviour, attendance and engagement of students

The main priorities for Oyster Park Primary School in 2016/17 were:

- Appoint a permanent Headteacher for the school
- Embed the INSET held during this academic year-'Read, Write, Inc;' 'The Big Write;' Growth Mindsets and Formative Assessment.
- Improve Maths teaching and learning across the school, leading to improved Maths outcomes at KS2 in 2017.
- Improve the quality of marking and feedback
- Improve and update the Curriculum for 2016-2017.
- Embed the Webster Stratton behaviour strategies, so that they are commonly applied by all staff.
- Ensure that the Admin Team is performing at the expected level.
- Ensure that Safeguarding protocols and procedures are fit for purpose.
- Improve SEN provision within the school, ensuring that pupils with SEN are identified quickly and that effective support is put into place.
- Improve the use of data to inform effective intervention

Northern Ambition Academies Trust

Report of the Trustees For The Year Ended 31 August 2017

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

The main priorities for Airedale Junior School in 2016/17 were:

- To improve data and tracking systems, in order that accurate and realistic data is used to inform intervention.
- To join Pixl Primary and to designate a senior member of staff to become the school's Pixl Champion.
- To ensure that all staff are aware of the Year 6 "Golden Group" and that this intervention group has a high profile throughout the school.
- To ensure that teaching and learning is consistently 'good' across the school, but especially in Year 5, where there are staffing issues- an advert for a Year 5 teacher needs to go out by October half term, to cover a Maternity Leave.
- To review the Performance Management policy, systems and protocols to ensure a fair and clear system is in place.
- To ensure that Senior Team members and TLR holders have clearly defined roles and responsibilities through true distributed leadership, with clear accountability

The main priorities for Airedale Infant School in 2016/17 were:

- To maintain and further raise individual attainment in reading, at the expected standard (EXS) and working at greater depth (GDS)
- To maintain and further raise individual attainment in writing, at the expected standard (EXS) and working at greater depth (GDS)
- To further improve phonic knowledge and application of skills, supporting outcomes in reading and writing.
- To maintain and further raise individual attainment in mathematics, at the expected standard (EXS) and working at greater depth (GDS)
- To maintain and continue to raise standards across Foundation Stage in line with National expectations.
- To focus upon progress for disadvantaged, gender gap boys and SEND pupils (narrowing and closing the gap)

Public Benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers. The principal public benefit delivered by the Trust is the provision of a high-quality education to students within the community of Airedale, in line with the articles of association. The direct beneficiaries of the Trust are the children and young people of Airedale, who benefit from the education provided through the Trust. The Trust's success in this endeavour is evidenced by Airedale Academy's most recent Ofsted judgement of 'good', the sustained success of Airedale Infant School and the improvements taking place at Oyster Park and Airedale Junior School, which have included an improved Ofsted judgement for Oyster Park Primary School.

The Trust also generates additional public benefit through promoting involvement and engagement in education, sports and the arts in the wider community, offering facilities for the use of local residents and creation of local employment in an area of high socio-economic deprivation.

STRATEGIC REPORT

Achievement and performance

The academic year 2016-17 has been quite a remarkable one in terms of actions taken and changes made. The Trust had a 'relaunch' in 2016 in order to set direction and establish a renewed vision for what the Trust wants to achieve. A number of 'vision days' have been held over the course of the year in order for the Board to establish the key priorities and appropriate actions. All staff from across the Trust came together to meet the CEO and be introduced to the new values. All schools have seen significant change over the course of the year in terms of leadership and the Trust's governance structure has been realigned to fit with the DfE best practice model. We now feel in a good position to grow as a Trust.

Airedale Academy was judged as 'good' by Ofsted in its most recently published inspection report in November 2013. According to Ofsted, "There are many examples of good and outstanding teaching in the academy"; "Students feel safe, are very welcoming, polite and courteous to visitors"; and "Governors are not only passionate about making sure students experience quality teaching and make good progress but also that they are looked after and develop as responsible young individuals". Ofsted also noted that "There is some outstanding leadership practice within the academy...Leaders' expertise is used to improve teaching and achievement for students in the academy and in its partner primary schools." Ofsted conducted another inspection in September 2017, but the report is currently embargoed, awaiting publication.

The Academy has been subject to national changes in the way that its performance is measured at the end of KS4. The four new accountability measures are: Attainment 8; Progress 8; % of pupils achieving a 5+ in both English and Maths and the % achieving the EBacc. In 2017, GCSE English Language, GCSE English Literature and GCSE Mathematics were subject to national reform, with new specifications and a new numerical grading system.

The Year 11 cohort in 2017 had entered the Academy with an APS score at KS2 at 25.4, very significantly below the national average of 28.5. The Attainment 8 Score achieved in 2017 was 39.73. The Progress 8 Score has now been verified at +0.31, indicating that pupils make good progress from KS2 starting points. This places the Academy significantly above the floor target of 0. This measure is relative to the starting points of pupils of a similar starting point nationally.

Northern Ambition Academies Trust

Report of the Trustees For The Year Ended 31 August 2017

STRATEGIC REPORT

Achievement and performance

In terms of the pupils attaining a Grade 5 and above in English and Maths, 25% achieved this measure in 2017, with 44% achieving a Grade 4+ in both subjects. 70% of pupils achieved expected progress in English and 38% achieved above expected progress. These key figures demonstrate that pupils make good progress in English. Expected progress in Maths was 50% and above expected progress was 7%. As a result of progress data, Maths continues to be a priority subject for improvement. 21% of pupils achieved the EBacc, which is a significant improvement on 2016. EBacc subjects continue to be priority subjects within the academy and will be subject to close monitoring by the Senior Leadership Team throughout 2017-2018.

The 6th Form continues to perform significantly above national expectations. At Post 16, 75% of pupils met or exceeded their target grades. Performing Arts performed particularly well, with 100% of students meeting or exceeding their target grades.

Pupils are well prepared for the next stage of their education, training or employment and receive impartial careers guidance. To date, 56% of the 2017 cohort have secured an HE place, or a place at a private theatre school. 5 students who studied Performing Arts at Post-16 have secured scholarships to prestigious theatre schools.

It is compulsory for students entering the 6th Form, who did not attain the expected C grade (or equivalent numerical grade) or above at GCSE in both English and Math in Year 11 to re-sit these qualifications. Of the 2017 Post-16 cohort who needed to re-sit, 80% converted to a C grade in English and 50% in Maths. This was an improvement from 2016, when 63% attained a C or above in English and 32% in Maths.

Behaviour continued to significantly improve throughout 2016-2017 and was recognised as a strength of the school during our recent Ofsted inspection, although the report is yet to be published. There has been a 31% reduction in the number of days of education lost due to fixed term exclusions and the number of incidents of poor behaviour, leading to exclusion have reduced by 28%. The number of incidents of poor behaviour logged by students identified as disadvantaged reduced by 75% from Half Term 1 to Half Term 6. Four permanent exclusions were made during the last academic year as a result of extremely serious incidents of behaviour.

Oyster Park Primary Academy was judged to 'Require Improvement' at its most recent Ofsted inspection in June 2017, an improvement on its pre-conversion grading of 'Serious Weaknesses'. The report recognises that the school has undergone a period of rapid school improvement and that 'the recently appointed senior team, with effective support from Trust executives, is now starting to eliminate the weaknesses in the quality of education that the school provides.' The report also recognises that the quality of teaching has improved, especially in Years 5 and 6, which enabled students in Upper KS2 to make 'much better progress' than that of previous cohorts. Importantly, the report acknowledges that the leadership team, including the Trust leadership team, has the capacity and the capability 'to move the school forward at pace.'

The MAT Board took decisive action to end the temporary Executive Headteacher's contract in April 2017 and promoted the Deputy Headteacher to Acting Headteacher. Since April, the school has implemented the Trust's school improvement strategy and has joined PiXL Primary. As such, KS2 outcomes significantly improved from 2016, and the gap to national was significantly reduced.

Outcomes for pupils at the end of the Early Years Foundation Stage (EYFS), for a good level of development, dipped slightly from 61% in 2016 to 59% in 2017. The school underwent a verification visit from the LA and judgments were upheld. Despite the slight dip of 2%, the data systems in place at the school are now much more robust, with higher expectations now in place. In addition, pupils make very good progress within the EYFS phase at the school, as 88% of 3 and 4 year olds enter the school below age expectations. The low starting points have been verified by the LA in September 2017.

Attainment significantly improved at the end of KS1 in 2017, when compared to 2016 KS1 outcomes. This is attributable to the Trust's school improvement strategy. 67% of pupils achieved age related progress in Reading, compared to 48% in 2016; 52% in Writing; 67% in Maths, compared to 38% in 2016. In terms of the key indicator, Read Write Maths Combined, 50% achieved the expected standard in 2017, compared to 31% in 2016, which has moved the school forward to within 10% of that achieved nationally.

KS2 results also significantly improved as a result of stronger leadership and as a result of effective trust-led intervention strategies, when compared to 2016 outcomes. In 2016 only 22% of pupils achieved the expected standard for the key RWM Combined Score indicator, but in 2017, 51% of pupils achieved the expected standard. This, once again, places the school within 10% of that achieved nationally in 2017.

Northern Ambition Academies Trust

Report of the Trustees For The Year Ended 31 August 2017

STRATEGIC REPORT

Achievement and performance

Airedale Junior School was judged to require improvement at its pre-conversion Ofsted inspection in March 2014 because teaching was not consistently good enough, pupils lost focus in some lessons, feedback to pupils did not clearly indicate what they needed to do to improve and conduct round school and on the playground was not always orderly. Outcomes in Key Stage 2 in 2014 showed a number of small improvements that were close to, but mainly just below national averages. The progress of the most able was also an area for improvement.

The school is currently being led by an Acting Headteacher (previously the school's Deputy Headteacher), who has a clear vision and strategy for moving the school forward. Under her leadership, rapid progress has been made, especially in terms of data tracking, same day interventions and staff development. The school now has a robust performance management structure and tight monitoring systems. In addition, the Senior Leadership Team has a clear vision for teaching and learning, with the highest standards expected of all teaching staff.

In 2017 the school's KS2 outcomes improved by 5% from 2016 in terms of the key RWM Combined Score indicator, from 48% in 2016 to 53% in 2017. This continues to be below national but demonstrates that the school is improving in terms of this key attainment measure. Maths outcomes improved in 2017, but writing outcomes and reading outcomes saw 3% dips from 2016. As such, improving reading strategies and intervention will be a school priority in 2017-2018.

Attendance continues to be good and the school has been named as a Safeguarding centre of excellence by the local authority. Senior leaders at Airedale Junior School are also able to add capacity to strengthen the leadership at Airedale Infants. The Trust Executive Team is confident that Airedale Junior School is now a good school and will be judged as such at its imminent inspection.

Airedale Infant School was judged 'good' at its most recent Ofsted inspection, which took place in July 2013. Behaviour and safety were judged as 'outstanding.' Ofsted noted that pupils achieved well and made good progress from their low starting points, with teaching being typically good and with very positive relationships with pupils being in place. The report also noted that Airedale Infants' pupils were keen to achieve well.

The long-serving Headteacher retired in April 2017 and has been replaced by the existing Deputy Headteacher, who is acting as Interim Headteacher. The Interim Headteacher is an experienced data and intervention specialist and the school has just undergone a Pupil Premium Review.

In EYFS, 64% of pupils achieved a Good Level of Development in 2017, which was a 2% increase from 2016. This is still below national but demonstrates good progress over time, as over 80% of pupils start their EYFS journey with skills below their actual age expectations. This very low starting point has been verified by the local authority. By the end of EYFS, girls outperform the boys by 6%, so diminishing the difference between boys' and girls' attainment must be a priority for the SLT at Airedale Infants right from their pupils' starting point in school.

In terms of Year 1 Phonics Screening, an improvement of 3% was made from 2016 outcomes. The gender gap shrank in 2017, with a significant reduction from a 28% gap in 2016 to a 9% gap in 2017. However, the girls are still outperforming the boys and in 2017/18 the school must focus its attention on intervention strategies that will diminish the difference between boys' and girls' attainment.

At the end of KS1, outcomes improved by 4% in terms of the key Combined Score indicator (from 52% in 2016 to 56% in 2017), therefore closing the gap towards national. Reading outcomes were sustained in terms of expected progress at 68% but Writing outcomes dipped by 6% and Maths outcomes dipped by 2%. As such, the school needs to specifically focus on improving writing outcomes in 2018 and intervention needs to be sharpened up in order to continue to improve the RWM Combined Score figure by embedding the Trust's bespoke approach to intervention in partnership with PiXL Primary.

Despite the dip in writing and maths outcomes in terms of expected progress, significant improvements were made in terms of the number of pupils achieving Greater Depth (above expected progress). Improving the percentage of pupils achieving Greater Depth was a whole school priority in 2016-2017, as a result of only 4% of pupils achieving Greater Depth in Writing and Maths in 2016 and no pupils achieving Greater Depth in Reading. In 2017 24% of pupils achieved Greater Depth in Reading, 10% in Writing and 16% in Maths, demonstrating that the most able pupils are being targeted to exceed expectations and make exceptional progress.

Extra capacity is currently being added to Airedale Infants, in order to strengthen the leadership at all levels and to increase the accountability and monitoring procedures in line with the other schools in the Trust. In addition, the Interim Headteacher is being mentored by the Trust's school improvement consultant and there is a focused drive to improve the standards of teaching and learning across the school.

Northern Ambition Academies Trust

Report of the Trustees **For The Year Ended 31 August 2017**

STRATEGIC REPORT

Going Concern

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

Financial review

The Trust held fund balances as at 31 August 2017 of £22,260K. This comprised £1,077K of unrestricted funds, £22,970K of restricted fixed asset funds and £1,439K of restricted general funds, set against a pensions reserve deficit of £3,226K.

The majority of the Trust's funding comes from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE and related expenditure are shown as restricted funds in the statement of financial activities.

During the year ending 31 August 2017, total expenditure (excluding depreciation and FRS102 adjustments, including assets purchased out of revenue funds) of £10,874K was covered by recurrent grant funding from the DfE plus income from other sources and reserves brought forward. The deficit of income over expenditure for the period (excluding restricted fixed asset funds and pension reserve) was £134K.

At 31 August 2017 the net book value of fixed assets was £22,804K. The value of fixed assets includes the value of those assets which were transferred by Wakefield MDC as part of the transfer agreement, which comprises the land and buildings for Airedale Academy and Oyster Park (which are occupied on a 125 year lease from the local authority at a peppercorn rent) plus the fixtures, fittings, furniture and equipment on the Academy site at the point of transfer. It also includes the land and buildings for Airedale Junior School and Airedale Infant School (occupied on a 125 year lease) plus the fixtures, fittings, furniture and equipment on the site at conversion. These assets have been used for the provision of education and associated support services to the pupils of the relevant academy. The significant increase in the value of fixed assets during the period was due to a combination of the rebuild of Airedale Junior School following the major fire, plus a number of successful bids by schools across the Trust for Condition Improvement Fund money to address urgent condition issues across the Trust estate.

The deficit in the Local Government Pension Scheme (LGPS) of £3,226K is recognised in the balance sheet as per the requirements of FRS17. The pension deficit is not expected to have any material impact on the financial viability of the organisation.

Reserves Policy

The trustees consider it prudent that the Trust maintains sufficient reserves to meet unexpected expenditure and aims to hold a minimum level of reserves equivalent to one month's average GAG expenditure (in the region of £675K). The level and nature of these reserves is reviewed by the Board of Trustees at least annually.

At 31 August 2017, Northern Ambition Academies Trust held £1,077K in unrestricted free reserves and £1,439K in restricted GAG reserves. This is above the minimum level set by the Trust by £1,841K. A significant proportion of the funding above the minimum level set by the Trustees is designated for capital expenditure in the next five years in line with renewal and refurbishment plans, and the remainder is being held in reserve to meet emerging needs during forthcoming academic years due to predicted changes in pupil numbers and to smooth out budget fluctuations anticipated as the effects of the new National Funding Formula become clear.

Investment Policy

The trustees have adopted a cautious investment policy, the main principle of which is to safeguard the Trust's cash funds. In light of this approach, the Trust maintains substantial cash balances, the bulk of which is held on deposit in a high-interest savings accounts with necessary monthly running expenses held in a current account.

Principal risks and uncertainties

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the academies.

Risk management is embedded in the day-to-day processes of the Trust. Systems or procedures have been established to manage risks, especially in relation to operational areas, and are regularly reviewed and updated. These include aspects such as vetting new staff and visitors, undertaking and updating risk assessments, and implementing a robust system of internal financial controls in order to minimise risk. Where significant financial risks still remain, the Trust has adequate insurance cover in place.

Northern Ambition Academies Trust

Report of the Trustees **For The Year Ended 31 August 2017**

STRATEGIC REPORT

Principal risks and uncertainties

The principal risks faced by the Trust relate to the protection of pupils, employees, reputation and assets. Some key risks identified include:

- Health and safety issues - a student, employee, visitor or volunteer is injured or killed while on one of the academy sites
- Recruitment - someone unsuitable to work with children is recruited to a post within the Trust or one of the academies is unable to recruit to fill a crucial post
- Legal - the risk that various legislative requirements, including in relation to safeguarding, charity and company law are not known or not complied with
- Financial - the Trust has insufficient funds to continue to operate at current levels because of uncertainty over funding streams
- Reputational - the schools within the Trust do not achieve a rating of at least 'Good' under the Ofsted framework.
- Operational - too much attention is focused on the growth and development of the Trust's underperforming schools to the detriment of those schools currently deemed 'Good'.
- Operational – key staff are lost without effective succession planning being in place

The Trust has an ongoing process of identifying and addressing risks to the business and seeks to put appropriate measures in place as new risks are identified or existing risks are reassessed.

Plans for future periods

The overarching objectives for the Trust this year are to:

- Continue to promote the shared vision and values to ensure it has buy-in from all stakeholders
- Refine the effectiveness of governance at all levels across the Trust, including recruiting additional governors to fill gaps on Academy Councils
- Develop an improved operating model for the Trust's business operations to maximise efficiency
- Increase capacity within the Trust for supporting rapid school improvement and future growth
- Ensure that children in all the Trust's schools make great progress

The main priorities for driving school improvement across all Trust Schools this year are:

- To strengthen the quality of leadership at all levels and in all phases.
- To improve attendance towards national in all Trust schools, with the exception of Airedale Junior School (which has an attendance figure that is above the national average).
- To reduce the number of students who are persistently absent from school across the Trust.
- To implement a Trust 'Attendance Hub,' in order to create strategies to improve the attendance of hard to engage families.
- To diminish the difference between disadvantaged and non-disadvantaged groups by the end of Key Stage 4.
- To improve KS2 reading outcomes, using 2017 outcomes as a baseline.
- To improve KS1 writing outcomes, by specifically improving the writing outcomes of boys.
- To improve boys' attainment in all Key Stages across the Trust.
- To continue to improve collaborative working practices across the Trust, especially through the creation of new SEND, Behaviour and Inclusion, MFL and Attendance Hubs.
- To embed the practice of enquiry-based professional learning at Airedale Academy, with a view to rolling out this form of CPD across the Trust as a whole in 2018-2019.

Equal opportunities

Northern Ambition Academies Trust believes that everyone should be treated fairly and without prejudice. We believe that a non-discriminatory approach is beneficial to the working environment just as an inclusive approach is essential for the learning environment. As such, we believe that discrimination is unacceptable and recognise two fundamental principles:

- Each individual has the right to equality of opportunity, but this also brings with it the responsibility of each individual to respect those rights for others;
- The needs of one individual are not identical to those of another and we have a responsibility to both recognise the individual's needs and to respond positively to them.

Northern Ambition Academies Trust

Report of the Trustees
For The Year Ended 31 August 2017

Disabled persons

The policy of the Trust is to support the recruitment and retention of students and employees with disabilities. Adaptations are made to methods of teaching and behaviour management to support those pupils with SEND.

During Trust recruitment processes, we ensure that our job adverts are accessible to all, stating clearly that we welcome applications from all sections of the community and demonstrate our equal opportunities policy. As part of our Equal Opportunities monitoring, when a disabled applicant applies for a role, we commit to making any adjustments necessary to allow them to apply for roles. These adjustments may involve using accessible interview locations and providing any other necessary aids, adaptations or equipment.

For members of staff who become disabled, our policy is to consider either reasonable adjustments to their current role or to seek alternative employment within the Trust, to ensure they remain in employment. Employees with disabilities are supported as appropriate to them, including adapting working patterns or providing specific equipment to support them in their work. Lifts, ramps and disabled toilets have been installed and the needs of disabled staff and students are taken into account in the design of new facilities, including the provision of adjustable workstations in specialist teaching areas where appropriate.

As part of our endeavours to support progress on equality we have recently issued a Staff Equality & Inclusion Questionnaire to all staff which seeks confidential disclosure on disability.

Employee Consultation and Engagement

Throughout our schools, regular briefings are held by the Principal/Headteacher for all staff to discuss day to day matters. Emails and staff notice boards are also used for communication. Trust Policies are widely consulted with staff and unions prior to approval. At Airedale Academy a Staff Wellbeing group has been introduced to discuss ideas to ensure effective staff wellbeing, which has resulted in initiatives including yoga sessions and the offer of flu jabs to staff across the Trust. In 16/17 all staff were invited to meetings to provide updates on Trust matters and going forward a joint INSET day across the Trust has been arranged for 17/18.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 November 2017 and signed on the board's behalf by:

.....
L Shaw - Chair

Northern Ambition Academies Trust

Governance Statement **For The Year Ended 31 August 2017**

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Northern Ambition Academies Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement of loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Northern Ambition Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Mr M Dixon	6	6
Mrs E Fairhurst	5	6
Mr S Allsopp (resigned 1 September 2017)	3	6
Cllr L Shaw	6	6
Mr S Baker (from 18 May 2017)	0	2
Mrs J Winterbottom (resigned 30 April 2017)	4	4
Ms A Latham	6	6
Mr R Hall	3	6
Mr S Groves (from 18 May 2017)	2	2
Mr D Broadbent (from 19 July 2017)	1	1

A review of the governance of the Trust was undertaken in Spring 2017 as part of the establishment of a new direction for the Trust and to ensure that the governance (including the Board) was fit for purpose, in anticipation of future growth. Relevant documents were reviewed including the DfE's Governance Handbook and guidance from the National Schools Commissioner, along with research into successful governance models used by other Trusts. This review highlighted a need to change the structure to clarify and improve flows of accountability, to avoid duplication of work and to ensure a sustained focus on the improvement of individual schools. Structural changes involved the removal of operational committees at school level (key decisions about management of risk and the strategic use of financial and other resources being taken at Trust level with the formation of new committees for Risk & Audit, Resources and Recruitment & Development) and a refocusing of the work of governing bodies (renamed Academy Councils) on scrutiny and challenge to the school on matters of educational performance, monitoring compliance and engagement with local stakeholders. The new structure was phased in during the Summer Term 2017 and a review of its effectiveness will be undertaken towards the end of the next reporting period.

As part of the review of its effectiveness and that of the governance structures of the organisation, the Board felt that additional expertise was required to strengthen the Board. New Trustees were recruited to contribute to that mix of skills and experience, particularly in light of the needs of the new committees and the need for trustees with relevant expertise in these areas. Following the resignation of Mr Allsopp in September 2017, the Board also needs one additional Trustee; based on our skills audit it would be preferable for this person to have skills or experience in either legal, HR or marketing.

A new Trust website has been created, with more detailed information about the Trust's governance and recruitment materials aimed at attracting new governors to join the Academy Councils. The Trust continues to work with Academy Ambassadors, Inspiring Governance and SGOSS to endeavour to fill gaps on Academy Councils/the Board, as well as conducting campaigns through social media and via individual schools.

Trustees receive regular overview reports providing data on the academic and financial performance of the schools and wider Trust. More detailed scrutiny of the data takes place at committee level, either within Academy Councils or at the Resources Committee. The Board has sought assurances from the Executive regarding the quality of this data.

Northern Ambition Academies Trust

Governance Statement For The Year Ended 31 August 2017

The Resources Committee (incorporating the Audit Committee) met three times before the changes to the governance structure.

Trustee	Meetings attended	Out of a possible
Mr R Hall (Chair)	3	3
Mrs E Fairhurst	3	3
Mr S Allsopp	2	3
Cllr L Shaw	3	3
Mr M Dixon	3	3
Ms A Latham	3	3
Mrs J Winterbottom	2	2

The reconstituted Resources Committee met once during the year, in July.

Trustee	Meetings attended	Out of a possible
Cllr L Shaw	1	1
Mrs E Fairhurst	1	1
Mr R Hall (Chair)	1	1
Ms A Latham	0	1
Mr S Baker	1	1

The reconstituted Risk and Audit Committee did not meet during the period as its first meeting was in October 2017.

Review of Value for Money

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

The accounting officer has delivered improved value for money during the year in the following ways:

- The Trust has invested in a review of governance to identify improvements to governance structures. This has resulted in improvements in communication across the governance structures and has created value for money by making governance more efficient and effective.
- Value for money has been obtained in a more tangible way through several joint procurement exercises. Trust schools collaborated on the purchase of a common signing-in system, leveraging economies of scale to reduce unit costs as well as improving efficiency by allowing staff from anywhere within the Trust to sign in/out at another Trust school without having to re-type their details. Joint procurement also provided value for money in the purchase of Microsoft licences, where economies of scale meant the cost was reduced, and allowed the Trust to negotiate for additional Education Psychologist time to be added to the overall Trust SLA on behalf of one of the schools. The purchasing power of the larger secondary and primary schools have been used to good effect in leveraging savings on behalf of the much smaller infant school through negotiating bulk purchases of paper across the Trust.
- Value for money has also been achieved through the delivery of collaborative CPD – both through contracting speakers on behalf of the Trust and sharing the cost (thus providing access to content individual schools may have been unable to afford alone), and through the delivery of in-house CPD programmes opened up to staff across the Trust and which could be delivered locally because of the economies of scale created by the increased numbers.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust's 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 at Northern Ambition Academies Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Northern Ambition Academies Trust

Governance Statement
For The Year Ended 31 August 2017

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed a division of Allotts Chartered Accountants to provide assurance on the effectiveness of internal control and on the discharge of the Trust's financial responsibilities. The internal auditor has provided a report, discussed by the Risk and Audit Committee on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

Checks carried out in the current period relate to the risks connected with purchasing, ordering and tendering.

In the view of the internal auditor, the majority of procedures in place within the MAT in relation to the areas reviewed are good. Some areas for improvement were identified, relating to documenting thought processes around value for money, more expansive checklists for purchasing, more consistent inputting of GRNs on the system and countersigning of BACS paperwork by two members of the finance team. The internal auditor also recommended a review of the Financial Procedures Manual to ensure it reflects the current processes and a review of credit card limits to ensure these are still appropriate. These recommendations will be addressed as follows:

- Medium Priority - within three months
- Low priority - within six months

In view of these recommendations, the finance staff will be doing a sampling exercise on a basket of commonly-purchased items to identify best value, are now countersigning BACS paperwork and will be reviewing the credit card spend. The Financial Procedures Manual will also be reviewed this year.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15 November 2017 and signed on its behalf by:

.....
L Shaw - Chair

.....
Mrs E Fairhurst - Accounting Officer

Northern Ambition Academies Trust

Statement on Regularity, Propriety and Compliance
For The Year Ended 31 August 2017

As accounting officer of Northern Ambition Academies Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2016.

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

.....
Mrs E Fairhurst - Accounting Officer

Date: 15 November 2017

Northern Ambition Academies Trust

Statement of Trustees Responsibilities
For The Year Ended 31 August 2017

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

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

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

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

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

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

Approved by order of the board of trustees on 15 November 2017 and signed on its behalf by:

.....
L Shaw - Chair

Report of the Independent Auditors to the Members of Northern Ambition Academies Trust

Opinion

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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 Report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Northern Ambition Academies Trust**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at

<https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our Report of the Independent Auditors.

Mark Garrison BCom FCA DChA (Senior Statutory Auditor)
for and on behalf of Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Date:

**Independent Reporting Accountant's Assurance Report on Regularity to
Northern Ambition Academies Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 22 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northern Ambition Academies Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Northern Ambition Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Northern Ambition Academies Trust's funding agreement with the Secretary of State for Education dated 21 March 2011 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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 charitable company's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Enquiry of officers of the academy
- Review and testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the academy's system of controls
- Examination of relevant documents
- Review of the activities carried out by the academy
- Review of the delegated authorities set out in the Academies Financial Handbook

Conclusion

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

Reporting Accountant
Allotts Business Services Ltd
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Date:

Northern Ambition Academies Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Year Ended 31 August 2017

		Unrestricted fund	Restricted funds	Fixed Asset Fund	Total	2017 funds	Total	2016 funds
	Notes	£'000	£'000	£'000		£'000		£'000
INCOME AND ENDOWMENTS FROM								
Donations and capital grants	3	16	-	291		307		2,358
Charitable activities								
Funding for the academy's educational operations	4	17	10,426	-		10,443		10,464
Other trading activities	5	207	153	-		360		308
Investment income	6	14	-	-		14		17
Other income	7	-	-	(293)		(293)		1,161
Total		<u>254</u>	<u>10,579</u>	<u>(2)</u>		<u>10,831</u>		<u>1,161</u>
EXPENDITURE ON								
Raising funds	9	50	-	-		50		116
Charitable activities								
Academy's educational operations		<u>130</u>	<u>11,255</u>	<u>965</u>		<u>12,350</u>		<u>11,569</u>
Total	8	<u>180</u>	<u>11,255</u>	<u>965</u>		<u>12,400</u>		<u>11,685</u>
NET INCOME/(EXPENDITURE)		74	(676)	(967)		(1,569)		2,623
Transfers between funds	23	(4)	(89)	93		-		-
Other recognised gains/(losses)								
Actuarial gains/losses on defined benefit schemes		-	1,838	-		1,838		(2,655)
Net movement in funds		70	1,073	(874)		269		(32)
RECONCILIATION OF FUNDS								
Total funds brought forward		<u>1,007</u>	<u>(2,860)</u>	<u>23,844</u>		<u>21,991</u>		<u>22,023</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,077</u>	<u>(1,787)</u>	<u>22,970</u>		<u>22,260</u>		<u>21,991</u>

The notes form part of these financial statements

Northern Ambition Academies Trust (Registered number: 07556117)

Balance Sheet
At 31 August 2017

	Notes	2017 £'000	2016 £'000
FIXED ASSETS			
Tangible assets	15	<u>22,804</u>	<u>21,305</u>
CURRENT ASSETS			
Stocks	16	12	14
Debtors	17	682	1,842
Cash at bank and in hand		<u>2,947</u>	<u>4,485</u>
		3,641	6,341
CREDITORS			
Amounts falling due within one year	18	(932)	(1,119)
		————	————
NET CURRENT ASSETS		<u>2,709</u>	<u>5,222</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		25,513	26,527
CREDITORS			
Amounts falling due after more than one year	19	(27)	(33)
PENSION LIABILITY	24	(3,226)	(4,503)
		————	————
NET ASSETS		<u>22,260</u>	<u>21,991</u>
FUNDS	23		
Unrestricted funds:			
General fund		1,077	1,007
Restricted funds:			
General Restricted fund		1,439	1,643
Fixed Asset Fund		22,970	23,844
Pension reserve		<u>(3,226)</u>	<u>(4,503)</u>
		<u>21,476</u>	<u>20,984</u>
TOTAL FUNDS		<u>22,260</u>	<u>21,991</u>

The financial statements were approved by the Board of Trustees on 15 November 2017 and were signed on its behalf by:

.....
L Shaw -Chair

The notes form part of these financial statements

Northern Ambition Academies Trust

Statement of Cash Flows
For The Year Ended 31 August 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities:			
Cash generated from operations	1	<u>621</u>	<u>624</u>
Net cash provided by (used in) operating activities		<u>621</u>	<u>624</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,464)	(1,204)
Capital grants from DfE/ESFA		291	2,344
Interest received		<u>14</u>	<u>17</u>
Net cash provided by (used in) investing activities		<u>(2,159)</u>	<u>1,157</u>
Change in cash and cash equivalents in the reporting period		(1,538)	1,781
Cash and cash equivalents at the beginning of the reporting period		<u>4,485</u>	<u>2,704</u>
Cash and cash equivalents at the end of the reporting period		<u>2,947</u>	<u>4,485</u>

The notes form part of these financial statements

Northern Ambition Academies Trust

Notes to the Statement of Cash Flows
For The Year Ended 31 August 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2017 £'000	2016 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,569)	2,623
Adjustments for:		
Depreciation	965	877
Capital grants from DfE/ESFA	(291)	(2,344)
Loss on disposal of fixed assets	-	295
Interest received	(14)	(17)
Decrease in stocks	2	6
Decrease/(increase) in debtors	1,160	(1,402)
(Decrease)/increase in creditors	(193)	365
Difference between pension charge and cash contributions	<u>561</u>	<u>221</u>
Net cash provided by (used in) operating activities	<u><u>621</u></u>	<u><u>624</u></u>

Northern Ambition Academies Trust

Notes to the Financial Statements **For The Year Ended 31 August 2017**

1. STATEMENT OF ACCOUNTING POLICIES

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Northern Ambition Academies Trust meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

2. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Long leasehold land	straight line over 125 years
Long leasehold buildings	2% straight line
Fixtures, fittings and equipment	10% straight line
ICT equipment	33% straight line

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

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

Financial instruments

The academy trust only holds basic financial instruments as defined by FRS102. 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 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stocks

Unsold uniforms, other educational items for resale to students, theatre refreshments and frozen and tinned catering stocks are valued at the lower of cost or net realisable value.

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

2. ACCOUNTING POLICIES - continued

Taxation

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

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

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

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

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

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

2. ACCOUNTING POLICIES - continued

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the multi 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.

Leased Assets

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

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 multi 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 net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the Pension and Similar Obligations note, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Grants	-	291	291	2,344
Other donations	<u>16</u>	<u>-</u>	<u>16</u>	<u>14</u>
	<u>16</u>	<u>291</u>	<u>307</u>	<u>2,358</u>

Grants received, included in the above, are as follows:

	2017 £'000	2016 £'000
Capital grants	<u>291</u>	<u>2,344</u>

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Grants	-	9,882	9,882	10,083
Catering income	17	424	441	291
Trips	<u>-</u>	<u>120</u>	<u>120</u>	<u>90</u>
	<u>17</u>	<u>10,426</u>	<u>10,443</u>	<u>10,464</u>

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	8,465	8,465	8,454
Other DfE/ESFA Grants	<u>-</u>	<u>1,013</u>	<u>1,013</u>	<u>1,254</u>
	-	9,478	9,478	9,708
Other government grant				
Local authority grants	-	296	296	293
Special educational projects	-	74	74	58
Other grants	<u>-</u>	<u>34</u>	<u>34</u>	<u>24</u>
	<u>-</u>	<u>404</u>	<u>404</u>	<u>375</u>
	<u>-</u>	<u>9,882</u>	<u>9,882</u>	<u>10,083</u>

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
Hire of facilities	102	20	122	120
Staff cover insurance	42	-	42	43
Books, uniforms etc	9	2	11	15
Wages reimbursement	-	56	56	50
Consultancy	11	-	11	17
Other services	-	-	-	6
Sundry income	<u>43</u>	<u>75</u>	<u>118</u>	<u>57</u>
	<u>207</u>	<u>153</u>	<u>360</u>	<u>308</u>

6. INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
Interest	<u>14</u>	<u>-</u>	<u>14</u>	<u>17</u>

7. OTHER INCOME

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
Other income	<u>-</u>	<u>(293)</u>	<u>(293)</u>	<u>1,161</u>

Part of the school buildings, fixtures, fittings, computer equipment and contents of Airedale Junior School were destroyed in a fire on 14 July 2016. The insurance proceeds were estimated at £1,161,000 and were included in accrued income in 2016. During the year the expected income has been revised and this is reflected in the 2017 figures.

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

8. EXPENDITURE

		Non-pay expenditure		2017	2016
	Staff costs	Premises	Other costs	Total	Total
	£'000	£'000	£'000	£'000	£'000
Raising funds					
Costs incurred by trading for a fundraising purpose	35	-	15	50	116
Charitable activities					
Academies educational operations					
Direct costs	6,384	686	846	7,916	8,024
Allocated support costs	<u>2,339</u>	<u>844</u>	<u>1,251</u>	<u>4,434</u>	<u>3,545</u>
	<u><u>8,758</u></u>	<u><u>1,530</u></u>	<u><u>2,112</u></u>	<u><u>12,400</u></u>	<u><u>11,685</u></u>

Net income/(expenditure) is stated after charging/(crediting):

	2017	2016
	£'000	£'000
Auditors' remuneration	13	9
Other non-audit services	2	8
Depreciation - owned assets	965	877
Deficit on disposal of fixed asset	-	295
Operating leases - Others	<u>160</u>	<u>70</u>

9. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£'000	£'000	£'000	£'000
Staff costs	35	-	35	34
Premises costs	-	-	-	12
Other costs	<u>15</u>	<u>-</u>	<u>15</u>	<u>70</u>
	<u><u>50</u></u>	<u><u>-</u></u>	<u><u>50</u></u>	<u><u>116</u></u>

10. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£'000	£'000	£'000	£'000
Direct costs	66	7,850	7,916	8,024
Support costs	<u>63</u>	<u>4,371</u>	<u>4,434</u>	<u>3,545</u>
	<u><u>129</u></u>	<u><u>12,221</u></u>	<u><u>12,350</u></u>	<u><u>11,569</u></u>

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

10. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	2017	2016
	Total	Total
	£'000	£'000
Analysis of support costs		
Support staff costs	2,339	1,872
Technology costs	106	104
Premises costs	826	816
Other support costs	1,130	722
Governance costs	<u>33</u>	<u>31</u>
Total support costs	<u><u>4,434</u></u>	<u><u>3,545</u></u>

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

M Blackledge (Chief executive and trustee) - resigned 31 August 2016
Remuneration £Nil (2016: £90,000 - £95,000)
Employer's pension contributions £Nil (2016: £10,000 - £15,000)

J Winterbottom (staff trustee) - resigned 30 April 2017
Remuneration £40,000 - £45,000 (2016: £60,000 - £65,000)
Employer's pension contributions £5,000 - £10,000 (2016: £10,000 - £15,000)

E Fairhurst - appointed 1 September 2016
Remuneration £85,000 - £90,000 (2016: £Nil)
Employer's pension contributions £10,000 - £15,000 (2016: £Nil)

Trustees' expenses

During the year ended 31 August 2017, travel and subsistence expenses totalling £72 (2016 - £94) were reimbursed or paid directly to 2 trustees (2016 - 2).

Other transactions

There were no related party transactions involving the trustees.

Legal authority for the payments is given by provision in the Articles of Association.

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

12. STAFF COSTS

	2017	2016
	£'000	£'000
Wages and salaries	6,484	6,390
Social security costs	507	426
Operating costs of defined benefit pension schemes	1,549	1,184
Apprenticeship levy	<u>7</u>	<u>-</u>
	8,547	8,000
Supply teacher costs	180	196
Staff restructuring costs	<u>31</u>	<u>73</u>
	<u><u>8,758</u></u>	<u><u>8,269</u></u>

	2017	2016
	£'000	£'000
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	31	73
Other restructuring costs	<u>-</u>	<u>-</u>
	<u><u>31</u></u>	<u><u>73</u></u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £30,740. (2016: £63,660). Individually, the payments were £25,000 and £5,740.

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2017	2016
Teachers and educational support staff	186	173
Administration and support	128	121
Management	<u>19</u>	<u>25</u>
	<u><u>333</u></u>	<u><u>319</u></u>

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

	2017	2016
£60,001 - £70,000	2	3
£80,001 - £90,000	1	-
£90,001 - £100,000	<u>-</u>	<u>1</u>
	<u><u>3</u></u>	<u><u>4</u></u>

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £469,407 (2016: £369,227).

13. TRUSTEES' AND OFFICERS' INSURANCE

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

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM				
Donations and capital grants Charitable activities	10	4	2,344	2,358
Funding for the academy's educational operations	29	10,435	-	10,464
Other trading activities	218	90	-	308
Investment income	17	-	-	17
Other income	<u>-</u>	<u>7</u>	<u>1,154</u>	<u>1,161</u>
Total	274	10,536	3,498	14,308
EXPENDITURE ON				
Raising funds Charitable activities	116	-	-	116
Academy's educational operations	<u>77</u>	<u>10,319</u>	<u>1,173</u>	<u>11,569</u>
Total	193	10,319	1,173	11,685
NET INCOME/(EXPENDITURE)	81	217	2,325	2,623
Transfers between funds	<u>(6)</u>	<u>(240)</u>	<u>246</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>(2,655)</u>	<u>-</u>	<u>(2,655)</u>
Net movement in funds	75	(2,678)	2,571	(32)
RECONCILIATION OF FUNDS				
Total funds brought forward	932	(182)	21,273	22,023
TOTAL FUNDS CARRIED FORWARD	<u>1,007</u>	<u>(2,860)</u>	<u>23,844</u>	<u>21,991</u>

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

15. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Totals £'000
COST				
At 1 September 2016	23,313	685	642	24,640
Additions	<u>2,196</u>	<u>146</u>	<u>122</u>	<u>2,464</u>
At 31 August 2017	<u>25,509</u>	<u>831</u>	<u>764</u>	<u>27,104</u>
DEPRECIATION				
At 1 September 2016	2,645	169	521	3,335
Charge for year	<u>790</u>	<u>102</u>	<u>73</u>	<u>965</u>
At 31 August 2017	<u>3,435</u>	<u>271</u>	<u>594</u>	<u>4,300</u>
NET BOOK VALUE				
At 31 August 2017	<u>22,074</u>	<u>560</u>	<u>170</u>	<u>22,804</u>
At 31 August 2016	<u>20,668</u>	<u>516</u>	<u>121</u>	<u>21,305</u>

16. STOCKS

	2017 £'000	2016 £'000
Books	10	12
Catering	<u>2</u>	<u>2</u>
	<u>12</u>	<u>14</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £'000	2016 £'000
Trade debtors	40	55
VAT recoverable	182	204
Prepayments and accrued income	<u>460</u>	<u>1,583</u>
	<u>682</u>	<u>1,842</u>

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£'000	£'000
Trade creditors	350	456
Taxation and social security	111	110
Other creditors	265	304
Accruals and deferred income	<u>206</u>	<u>249</u>
	<u>932</u>	<u>1,119</u>

	2016	2016
	£'000	£'000
Deferred income		
Deferred Income at 1 September 2016	96	97
Resources deferred in the year	89	96
Amounts released from previous years	<u>(96)</u>	<u>(97)</u>
Deferred Income at 31 August 2017	<u>89</u>	<u>96</u>

This relates to amounts received prior to 31 August 2017 for periods spanning the year end recognised on a pro rata basis.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£'000	£'000
Other creditors	<u>27</u>	<u>33</u>

Included within other creditors is a loan of £33,000 (2016: £39,000) from Salix provided interest free.

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£'000	£'000
Within one year	80	164
Between one and five years	<u>106</u>	<u>145</u>
	<u>186</u>	<u>309</u>

21. 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.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Fixed Asset	2017	2016
	fund	funds	Fund	Total	Total
	£'000	£'000	£'000	funds	funds
				£'000	£'000
Fixed assets	-	-	22,804	22,804	21,305
Current assets	1,077	2,398	166	3,641	6,341
Current liabilities	-	(932)	-	(932)	(1,119)
Long term liabilities	-	(27)	-	(27)	(33)
Pension liability	-	<u>(3,226)</u>	-	<u>(3,226)</u>	<u>(4,503)</u>
	<u>1,077</u>	<u>(1,787)</u>	<u>22,970</u>	<u>22,260</u>	<u>21,991</u>

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

23. MOVEMENT IN FUNDS

	Balance 01.09.16 £000	Incoming Resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance 31.08.17 £000
Restricted general funds					
General annual grant (GAG)	1,592	8,465	(8,339)	(305)	1,413
Pupil Premium	-	857	(857)	-	-
Other EFA	30	156	(186)	-	-
Local Authority grants	-	371	(371)	-	-
Other grants	10	34	(22)	-	22
Other revenue	11	696	(919)	216	4
Restricted pension reserve	(4,503)	-	(561)	1,838	(3,226)
	<u>(2,860)</u>	<u>10,579</u>	<u>(11,255)</u>	<u>1,749</u>	<u>(1,787)</u>
Restricted fixed asset funds					
Assets transferred on conversion	19,129	-	(711)	25	18,443
DfE grants	2,441	291	(139)	-	2,593
Other capital expenditure	2,274	(293)	(115)	68	1,934
	<u>23,844</u>	<u>(2)</u>	<u>(965)</u>	<u>93</u>	<u>22,970</u>
Total restricted funds	<u>20,984</u>	<u>10,577</u>	<u>(12,220)</u>	<u>1,842</u>	<u>21,183</u>
Unrestricted funds	<u>1,007</u>	<u>254</u>	<u>(180)</u>	<u>(4)</u>	<u>1,077</u>
Total funds	<u>21,991</u>	<u>10,831</u>	<u>(12,400)</u>	<u>1,838</u>	<u>22,260</u>

The restricted general funds relate to grants receivable from the DfE, ESFA and other sources towards the operating activities of the Academy Trust. These include GAG, Pupil Premium, Early Years funding, SEN and other grants. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

The restricted fixed assets funds represent the net book values of donated fixed assets and assets purchased from DfE/ESFA/other government grants, which have to be held for the continuing use of the Academy Trust, together with any unspent capital funds.

The transfers in the year within restricted fixed asset funds relate to some assets being reassigned between funds after a review of costs. The transfer into other revenue is related to a reassignment of some income related to the insurance claim at Airedale Junior School, which had been included within restricted fixed assets last year. The transfers out of GAG and unrestricted relate to capital expenditure made in excess of funds received in the year.

Fund balances at 31 August 2017 were allocated as follows:

	2017 £000	2016 £000
Airedale Academy	1,420	1,357
Airedale Infants Academy	211	167
Airedale Juniors Academy	254	456
Castleford Oyster Park Primary Academy	466	535
Central Services	165	135
	<u>2,516</u>	<u>2,650</u>
Total before fixed assets and pension reserve	2,516	2,650
Restricted fixed asset fund	22,970	23,844
Pension reserve	(3,226)	(4,503)
	<u>22,260</u>	<u>21,991</u>

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

23. MOVEMENT IN FUNDS - continued

Analysis of academies by cost

	Teaching & Educational Support Staff £000	Other Support staff £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	2017 Total £000	2016 Total £000
Airedale Academy	3,121	1,171	50	1,052	5,394	5,097
Airedale Infants Academy	611	123	8	176	918	955
Airedale Juniors Academy	1,318	206	56	634	2,214	1,805
Castleford Oyster Park Primary Academy	1,334	253	75	571	2,233	2,340
Central Services	-	621	-	55	676	315
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	6,384	2,374	189	2,488	11,435	10,512

24. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £126,371 were payable to the schemes at 31 August 2017 (2016: £118,654) and are included within creditors.

Teachers' pension scheme

Introduction

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

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

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

24. PENSION AND SIMILAR OBLIGATIONS
- continued

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £638,693 (2016: £557,581).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £485,000 (2016: £447,000), of which employer's contributions totalled £345,000 (2016: £314,000) and employees' contributions totalled £140,000 (2016: £133,000). The agreed contribution rates for future years are 15.8 per cent for employers and between 5.5 and 11.4 per cent for employees.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2017 £'000	2016 £'000
Present value of funded obligations	(11,213)	(11,267)
Fair value of plan assets	<u>7,987</u>	<u>6,764</u>
	<u>(3,226)</u>	<u>(4,503)</u>
Deficit	<u>(3,226)</u>	<u>(4,503)</u>
Liability	<u>(3,226)</u>	<u>(4,503)</u>

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

24. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2017	2016
	£'000	£'000
Current service cost	819	479
Net interest cost	<u>87</u>	<u>56</u>
	<u>906</u>	<u>535</u>
Actual return on plan assets	<u>861</u>	<u>1,049</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2017	2016
	£'000	£'000
At 1 September	11,267	7,028
Current service cost	819	479
Employee contributions	140	133
Interest cost	226	267
Actuarial (gain) / loss	(1,116)	3,493
Benefits paid	<u>(123)</u>	<u>(133)</u>
	<u>11,213</u>	<u>11,267</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2017	2016
	£'000	£'000
At 1 September	6,764	5,401
Employer contributions	345	314
Employee contributions	140	133
Interest on assets	139	211
Actuarial gain / (loss)	722	838
Benefits paid	<u>(123)</u>	<u>(133)</u>
	<u>7,987</u>	<u>6,764</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2017	2016
	£'000	£'000
Actuarial gains/(losses)	<u>1,838</u>	<u>(2,655)</u>
	<u>1,838</u>	<u>(2,655)</u>

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

24. PENSION AND SIMILAR OBLIGATIONS
- continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2017	2016
	£'000	£'000
Equities	6,158	5,080
Property	399	325
Government Bonds	767	757
Other Bonds	311	284
Cash	120	95
Other	232	223
	<u>7,987</u>	<u>6,764</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2017	2016
Rate of increase in salaries	3.25%	3.4%
Discount rate for scheme liabilities	2.5%	2%
Inflation assumption (CPI)	2%	1.9%
Commutation of pensions to lump sums	50%	50%
Inflation assumption (RPI)	3.1%	3%
Rate of increase to deferred pensions	2%	1.9%
Rate of revaluation of pension accounts	2%	1.9%

Life expectancy assumptions

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

	At 31 August 2017	At 31 August 2016
Retiring today		
Males	22.1	22.7
Females	25.2	25.6
Retiring in 20 years		
Males	23.0	24.9
Females	27.0	28.0

Sensitivity Analysis

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

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3
		+0.1% pa discount rate	+0.1% pa rate inflation	1 year increase in life expectancy
	£000	£000	£000	£000
Liabilities	11,213	10,959	11,385	10,875
Assets	(7,987)	(7,987)	(7,987)	(7,987)
Deficit / (surplus)	3,226	2,972	3,398	2,888
Projected service cost for next year	738	717	759	711

The estimated value of employer contributions for the year ended 31 August 2018 is £382,000.

25. CAPITAL COMMITMENTS

	2017	2016
	£'000	£'000
Contracted but not provided for in the financial statements	<u>20</u>	<u>-</u>

Northern Ambition Academies Trust

Notes to the Financial Statements - continued
For The Year Ended 31 August 2017

26. RELATED PARTY DISCLOSURES

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

27. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the year:

- Human Resources
- Financial Resources
- Accountancy services
- Recruitment and Contracts services
- Payroll services
- Other services as arising

The trust charges for these services on the following basis:

- a flat 5% of ESG funding per academy
- the academies' share of any cost savings brought about by being able to negotiate as a trust

The amounts charged during the year were as follows:

	2017	2016
	£'000	£'000
Airedale Academy	15	29
Oyster Park Primary Academy	31	28
Airedale Infants Academy	11	9
Airedale Juniors Academy	31	27
	<u>88</u>	<u>93</u>