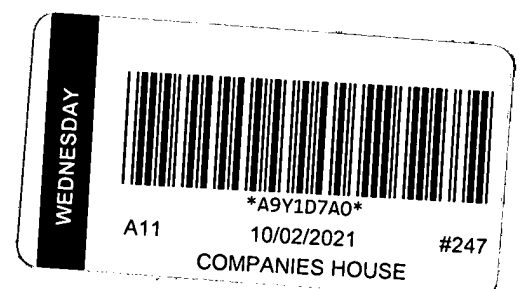


Charity Registration No: 528143
Company Registration No.: 00669916 (England and Wales)

**The Northumbrian Educational Trust Ltd
(Operating as Westfield School)**

**Annual Report and Financial Statements
For the year ended 31 August 2020**



The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Legal and administrative details

Governors	J Keep I Greenshields I Smales L Keightley L Dowie I Henderson K Bainbridge K Manzo J Rowley
Charity number	528143
Company number	00669916
Registered office	Westfield School Oakfield Road Gosforth Newcastle upon Tyne NE3 4HS
Auditor	Haines Watts Chartered Accountants 17 Queens Lane Newcastle Upon Tyne NE1 1RN
Bankers	Barclays Bank PLC 71 Grey Street Newcastle upon Tyne
Solicitors	Womble Bond Dickinson LLP One Trinity Broad Chare Newcastle upon Tyne NE1 2HF

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Contents

	Page
Governors' report	1 - 11
Independent auditor's report	12 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 36

**The Northumbrian Educational Trust Ltd
(Operating as Westfield School)**

**Governors' Report
For the year ended 31 August 2020**

The governors are pleased to present their report and accounts for the year ended 31 August 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the school's memorandum and articles of association, the Companies Act 2006 and "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)".

Objectives and activities

The charity's objectives are, as set out in the memorandum and articles of association, to run a school where pupils will obtain a high standard of education. The policies adopted in furtherance of these objects are the running of Westfield School for girls in the age range 3 to 18. Facilities appropriate to the age of pupils are provided in Junior House (age 3 to 11) and Senior House (age 11 to 18) and as these are separate buildings on the same site, full integration as a single school is achieved.

A well planned and balanced curriculum is taught in both Junior and Senior House. In Senior House, girls are prepared for a wide range of subjects at GCSE. After GCSE the majority of girls progress to the Sixth Form where they are able to choose from a full range of subjects at A level.

The ethos of Westfield School is based very much on development of the individual within a broad and challenging curriculum. Teaching methods are a careful blend of the traditional and the best in new ideas, while a variety of extra-curricular activities supplement the broad curriculum. Classes are kept small in order to ensure individual excellence in a variety of other spheres. Westfield is a member of Round Square, a worldwide association of like-minded schools based on the philosophy of Kurt Hahn who founded Gordonstoun School, Scotland (further details on page 3). Entrance to the School is non-selective. All entrants to Senior House sit an assessment. Scholarships are awarded to girls who demonstrate excellence in the 11+ Entrance Examination or in the Sixth Form Scholarship Examination. We are proud that our girls leave as mature, thoughtful, well rounded and interesting young women in line with our all-round educational ethos, and this year was no exception.

The governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the school should undertake.

The charity's policy is to consult and discuss with employees, through staff representatives and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the charity's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Use of Professional Fundraiser

The Trust has entered into an agreement with a professional fundraiser in order to conduct a fundraising appeal for funds towards the next phases of the school's capital development programme. This agreement stipulates the terms and conditions of the appeal which shall initially be restricted to grant making trusts and bodies and appropriate public sector sources although past Governors and Trustees have also been invited to make contributions. The activity of the fundraiser is constantly monitored through regular meetings with the members of The Finance & General Purposes Committee and monthly reports to the Board of Governors. The Trust does not intend to target individual members of the public who have no connection with the school having full consideration to all individuals' privacy.

Achievements and Performance

The Governors of Westfield are pleased to announce the completion, at the end of September 2019, of the first and second parts of its substantial investment project with the opening of a new state-of-the-art STEM facility in June 2019 followed by the newly configured Junior House and Arts Facility. Phase Two has also brought the school's Junior age pupils onto the same site as the Senior girls to make a "whole school life" journey a more seamless experience.

The refurbished buildings provide the school with a wonderful, modern Junior School.

Academic performance

This year, owing to the coronavirus pandemic a rigorous internal procedure was undertaken to provide centre assessed grading for A Level and GCSE examination results. None of our A Level grades were altered by external moderation and this year's A Levels are an impressive new record with almost half the grades at A*-A, and an amazing 90% at Grade C and above. Alongside the excellent 100% pass rate, over a quarter of the pupils achieved all A*-A grades. All the girls got into their first choice destinations.

With such a wide diversity of talents in this year's Upper Sixth it is only right that we focus on some of the individuals who have made this year group so special. The range of subjects were traditionally academic but there were some excellent performances in the creative arts.

Head Girl, Aoife D, secured her place to study Medicine and has achieved 3 A*'s in Biology, Chemistry and Maths. She said: 'I am so thrilled with my results! I've been at Westfield since Year 7 and I really can't thank the teachers enough; being in a small class meant that I could really focus on my work and all the extra support has been absolutely fabulous'

Athina V has achieved 2A*'s and 1A and is heading to Durham University to study Physics. Athina is also a member of the GB sailing squad and has competed at high level regattas around the world: 'I'm so excited to go and study Physics. I remember arriving at Westfield from Greece; all the teachers supported me from day 1 especially with my sailing commitments; actually it's because of Dr Corbin that my love for Physics started.'

Jane C has been at Westfield since Year 5 and has achieved 2 A*'s and an A (Geography, Psychology and PE) and is heading to Exeter to study Psychology. 'I literally can't speak. I was so nervous this morning! Westfield has been like my family for 7 years; both my sisters came here and my mum teaches here. All the teachers here supported me every step of the way and I can't thank them enough'

Megan G has achieved an A and 2B's and is heading to Newcastle University to study German and History. 'I am absolutely over the moon with my results. I started Westfield in Year 9, so not that long ago really, but when I arrived it just felt so right. The small class sizes meant that the teachers really got to know me as an individual. I am really going to miss everyone but I am really looking forward to going to University'

**Governors' Report
For the year ended 31 August 2020**

At GCSE 96% students achieved 5+ passes at grade 9-4 and, overall, half of the result (50%) were the top grades 9-7. These results are even more impressive given that Westfield has a non-selective intake. One reason for this success is the impressive start children are given in Junior House which sets them up for future success.

Safia S was first in school today and has achieved 11 GCSEs grade 8-9 and will be studying Maths, Biology and Chemistry. Safia was over the moon with her results and said 'I am looking forward to starting Sixth Form. I kept busy during lockdown doing all the remote learning but in addition to that, I've been writing letters to residents at a care home, I spoke to them over the phone as well but I've really enjoyed writing to them'

Rebecca M has been volunteering quite a bit during lockdown, delivering food packages, writing letters and serving Sunday dinners to residents at Horizons North East - a charity that provides accommodation to vulnerable adults in Blyth. She said 'I am thrilled with my results and I can't wait to start Business Studies, Psychology and Textiles at A Level'

Estelle A is from Holy Island and has been spending a lot of her time furthering her burgeoning stand-up comedy career 'online' as well as a lot of photography. 'I am so happy with my results, especially French as I was really worried about that subject'

Emily B has achieved 10 GCSEs grades 7-9 and will be studying up Geography, Economics and Physics. 'I've kept busy by completing an online course; also, now that charity shops have re-opened, I have been volunteering as a door supervisor at The Salvation Army shop in Morpeth.'

Emily and Estelle both took advantage of an amazing Round Square summer school, coming together virtually with fellow students from across the world to follow a 'Global Studies' course, including research and discussion on topics such as international aid, the networked information economy and responses to the pandemic. Emily said "I found it really interesting and it was great to interact with people from different countries."

Coronavirus Impact

This year has been an exceptional year after the school was mostly closed due to the national lockdown. At Westfield, staff had been training on using Microsoft Teams in preparation for a move to integrated learning within the classrooms in the future so we were a step ahead of most schools. This enabled us to ensure an almost seamless transition, on Monday March 23rd, to virtual learning. In Senior House, specifically, the vast majority of lessons were conducted as real time interactions between staff and pupils who followed their normal timetables. In Junior House, work was set and emailed to parents with some interactive teaching starting from Easter. The school was open during the Easter and Whit holidays for children of key workers. Once pupils were allowed back into school from June, we worked in a stepwise process to ensure that, before the end of term, all year groups in Junior House were back in school, on a rota basis, to enjoy their learning. In Senior House, Lower 5 and Lower 6 (Years 10 & 12) were brought back in for lessons at least twice a week and we ensured that every class had a session in school before the end of the summer term to reconnect with their friends and form teacher and to emphasise the pastoral and personal attention that is such a key part of Westfield's success.

The financial impact of the lockdown measures resulting from the COVID-19 pandemic and the subsequent re-opening of the school has been resulted in additional expenditure in relation to the provision of appropriate IT hardware and software to ensure the continued virtual learning capability as well as the procurement of PPE equipment, cleaning materials, signage and furniture and equipment for the implementation of social distancing measures. The overall impact of COVID-19 on the general economy has also resulted in a temporary reduction of pupil numbers which is referenced in the financial review.

Governors' Report
For the year ended 31 August 2020

The Chair and Governors would like to thank the Headmaster, Bursar and the whole team of teaching and non-teaching staff for the magnificent effort and total unswerving commitment to our community that was undertaken to keep Westfield fully functioning through this difficult pandemic.

The strength of our pastoral and academic offering during the national lockdown has been a key positive for us and has formed a core to our marketing message moving forwards. This contrasts well with our local competitors, both state and independent, and it is gratifying to see huge interest in the school going forward. We were able to welcome good numbers of prospective pupils recently to our Open Day and were well subscribed with visitors who enjoyed joining in our Forest School days, experiencing the beautiful outdoor space we are so lucky to be able to utilise to the maximum at this difficult time.

Arts, Sports and Other Activities

The school's membership of Round Square creates opportunities for the entire school. The curriculum encompasses the 6 pillars of the Round Square "IDEALS" of Internationalism, Democracy, Environment, Adventure, Leadership and Service. Girls learn to think creatively, to recognise each other's strengths and talents and inspire each other to work together to achieve common goals. Round Square allows opportunities for our pupils to visit other countries and embrace different cultures.

Our future planning encompasses our popular Slice of Africa experience in 2022. Although all Round Square, and other, international opportunities had to be cancelled during the summer plans are in discussion for future year groups. With lockdown came new opportunities for virtual involvement to maintain our international focus. This included girls partnering with schools in Germany, Tasmania and South Africa on various projects including preparations for future exchange visits and a number of Upper 5 and Sixth Form students who took part in a week-long virtual conference hosted by Felsted School involving students from over 20 different countries.

All students in Upper 4 (year 9) took part in the Archbishop of York's Trust Youth Leadership Award, a unique active citizenship programme empowering young people to make a difference in their local communities whilst growing in leadership skills and through service. This naturally leads into a high uptake for the Duke of Edinburgh Award where high percentages of girls are successful at both Bronze and Gold level. Girls doing Gold Award have joined with Newcastle School for Boys for their expeditions.

Creative Arts play a key role in the development of character at Westfield. Many girls perform in the school orchestra and the whole school has been involved in concerts and the annual Carol service. There are many varied musical groups that meet within school, both instrumental and choral. All the pupils have the opportunity to take part in dramatic productions and Westfield held a very successful joint production "Chicago" in conjunction with the Newcastle School for Boys. This has consolidated a closer working relationship across the drama and music departments in both schools. This was the last production undertaken in a professional theatre before Covid lockdown. We also enjoyed successful musical and performing arts soirées during the academic year.

Extracurricular activities have been curtailed since March by the pandemic, including our Activities Week which takes place at the end of the summer term. It has been important for the school to ensure that students still have the opportunity to develop their creative talents, a cornerstone of the school's ethos, and plans are afoot to ensure that events will continue in an altered form within school. Replacement events include a musical "Advent Calendar" where individual pieces, usually showcased at the soiree will be presented on a daily basis through December.

Community Services

Westfield School is keen to support and engage with the wider community. Charitable activities are undertaken throughout the year both at home and abroad as part of Round Square International Service Projects. We also continue to sponsor two girls at the Starehe Girls' School in Nairobi.

**The Northumbrian Educational Trust Ltd
(Operating as Westfield School)**

**Governors' Report
For the year ended 31 August 2020**

There is an active policy of making the school's facilities available outside school hours to local organisations.

These have included:

North East Sports Camp

North East Fiddlers

RSCDS Newcastle Scottish Dancing class

Weekly Pilates class

Use as a polling station during local and General elections

Non-financial charitable activities also took place, including:

Environmental service at Percy Hedley, Priory and Gibside Special Schools

Receipt and coordination of foodstuffs at People's Kitchen

Carol singing at local hospitals, residential care homes and shopping malls

The School held two very successful outreach days with local state primary schools in STEM and Sunshine in my Pocket as well as a full day workshop based around the production of Chicago with pupils from Queen Elizabeth High School, Hexham

Westfield PTA

All current parents are members of the Westfield PTA. The Association organises social fundraising events. As well as supporting local charities, funds are donated to the school, either for the purchase of new resources or in order to support special events and charities. The Westfield Association made grants to the school to enable the school to buy PE equipment, continue to fund the financing of the school minibus and provide equipment for our Forest School.

Public Benefit

Westfield School provides education to pupils who would otherwise be educated in the maintained school sector at the Government's expense. However, the board of governors recognises that it has wider responsibilities to the community and at home and abroad. The board of governors welcomes applicants from diverse religious, ethnic and financial backgrounds and aims to maintain its academic excellence coupled with a non-elitist atmosphere, which is highly valued by both parents and pupils. There are four main sub-sections to the public benefit programme:

- the provision of bursaries and scholarships
- partnerships and collaboration
- community services
- direct charitable giving

The governors have had regard to the Charity Commission guidance on public benefit.

Governors' Report
For the year ended 31 August 2020

Bursaries and scholarships

It has always been the policy of the governing body that the distinctive all round education offered by the school should not be restricted to only those families who can afford full fees.

Scholarships are awarded to pupils for the duration of their education at the school. Bursaries may be awarded to new entrants and to existing girls. Bursaries are means tested and reviewed annually. The school is pursuing a policy of shifting the emphasis of fee remissions towards means tested support.

In the year ended 31 August 2020 Westfield School gave fee remissions for 93 bursaries and scholarships equating to £387,446. (2019 - 88 amounting to £337,623). This equates to 16.8% of fee income (2019 – 15.1%). Of this, means-tested bursaries account for £319,975 or 69.29% of all fee remissions (2019 - £270,692 or 66.16%). Overall, 29% of pupils have some level of bursary support.

In order to attract pupils who would benefit from an education at Westfield, the school advertises widely in the local community.

Partnerships and collaboration

The school has links with the neighbouring old people's home and acts as a designated 24 hour 'safe location' for the residents in case of an emergency situation.

Charitable giving

As a result of charity fundraising events organised within the school £3,437 (2019 - £3,572) was donated to charities as follows:

Macmillan Nurses
Starehe School, Kenya
Battersea Dogs Home
Poppy Appeal
People's Kitchen
British Legion
Children's Society
Save the Children
Dogs Trust
Girl Up
Water Aid
Daft as a Brush

The reduction in charitable giving is as a result of no charity fundraising activity after March 20 2020

**The Northumbrian Educational Trust Ltd
(Operating as Westfield School)**

**Governors' Report
For the year ended 31 August 2020**

Financial Review

The governors report that the school incurred a surplus figure of £165,435 in the year ended 31 August 2020.

Note 6 details exceptional costs incurred in the year.

The principal source of funding is the school fees received for the provision of educational services.

Going Concern

The charitable company has generated a surplus of £165,435 at 31 August 2020 (2019 - £71,654, before the loss on the property revaluation), at that date the net current liabilities were £194,118 (2019 - £491,175).

In light of the COVID-19 pandemic, budget and cash flow forecasts have been prepared for the next 3 years based on conservative estimates of pupil numbers. After seeing a small reduction in pupil numbers during the year, improvements have been seen post year end.

The financial statements have been prepared on the going concern basis, the validity of which depends on the continued financial support of the bank in the form of a long term loan, and an external benefactor.

At the time of approving the financial statements, the governors have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. Thus the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

Reserves Policy

Note 23 of the financial statements shows the net assets by category attributable to the various funds. Restricted funds amount to £33,323 (2019 - £41,164) and unrestricted funds £1,622,429 (2019 - £1,449,053).

The governors keep under review the charity's needs for reserves in line with the guidance issued by the Charity Commission. Mindful of the need to utilise reserves to support and enhance the charitable purposes of the company, in the short term the board's policy is to continue to utilise its reserves and invest in capital developments within the school in terms of both additions to and improvements in facilities.

The school owns and occupies an extremely attractive site in central Gosforth. This site offers not only an excellent location but an exceptionally good range of facilities, space and development options. This site was professionally valued at £3.825m in 2019 based on current use value.

The short term policy is to adjust reserves and reduce debt through asset reconfiguration arising from the premises development strategy, whilst fulfilling the charitable objectives. In the medium to long term the board will endeavour to build reserves by means of annual operating surpluses arising from increased pupil numbers and continued cost control measures, thereby maintaining the charity's commitment to pupils and meeting its financial obligations.

Investment Policy

The board of governors' policy is to credit cash received from all sources, unless specifically instructed, to the main school bank account. There is a business account which earns a nominal amount of interest to which all surplus monies (above £1,000) are transferred automatically from the school current account on a daily basis.

There are no restrictions upon the charitable company's powers to invest.

**Governors' Report
For the year ended 31 August 2020**

Risk Factors

The governors have assessed the major risks to which the school is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks, which include:

Local competition - fees level

Safeguarding

Cost containment

Staff recruitment and retention

Changing economic circumstances of local population (parents)

Academic achievement

Detailed consideration of the risks is delegated to the Finance and General Purposes Committee. Risks are identified and assessed and controls established throughout the year. A formal review of the risk management is undertaken annually.

The key controls include:

formal agendas for all board and committee meetings which are held on a monthly basis;

comprehensive strategic planning, budgeting and management accounting with monthly reports;

the maintenance of a risk register, which identifies risks faced by the charity. The register is regularly updated and reviewed formal written policies, with clear authorisation and approval levels; and vetting procedures as required by law for the protection of children.

Through the risk management processes established by the board, governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Teaching staff are members of the Teachers' Pension Scheme, an unfunded defined benefit occupational pension scheme, contribution rates to which are determined by the Secretary of State. The latest published actuarial valuation at 31 March 2016 (published on 5 March 2019) indicated a whole scheme notional past service deficit of £22 billion. This report prescribed changes in Employer's contributions from 16.48% to 23.68% with effect from September 2019. The school consulted with its teachers in early 2019 on the basis that it could not afford such an increase in costs and the teachers agreed to absorb this increase by means of a reduction in salary.

The key objectives in the school's development programme include the following:

to increase pupil numbers without jeopardising academic performance or affecting pastoral care;

to balance a high level of academic achievement with a broad curriculum, supported by an effective pastoral care system;

- to widen public access to the school in terms of bursaries and scholarships, as far as possible, within the constraints of the level of funding available as an independent education provider, without the benefit of endowment funding;
- to promote the school's links with the local and wider community through community services and other academic, sporting and cultural activities; and
- to implement plans to improve the facilities, buildings and infrastructure.

**The Northumbrian Educational Trust Ltd
(Operating as Westfield School)**

**Governors' Report
For the year ended 31 August 2020**

Structure, Governance and Management

The school is a company limited by guarantee, not having any share capital. It is governed by its memorandum and articles of association. There have been no changes during the year. It is registered as a charity with the Charity Commission. Individual members of the governing body constitute directors of the company for the purposes of the Companies Act and governors of the charity for the purposes of the Charities Act.

The governors, who are also the directors for the purpose of company law and who served during the year were:

Jani Keep (Chair)	Elected
Iain Greenshields LLB	Elected
Kathryn Manzo PhD	Elected
Isabel Smales	Elected
Kris Bainbridge BA (Hons)	Re-elected 23/06/2020
Lex Dowie MA (Cantab)	Re-elected 23/06/2020
Liz Keightley	Elected
Ian Henderson	Elected
Jacqueline Rowley	Re-elected 23/06/2020

Secretary and Clerk to the governors
Joseph Leese FCPFA

The board of governors is empowered to appoint new governors to the board to fill casual vacancies. All governors so appointed are required to seek re-election at the succeeding annual general meeting. One third of the governors retire at the annual general meeting and, if eligible, are entitled to be re-elected.

Anyone over the age of 18 can become a member of the company and there are currently 9 members (2018 - 16 members). None of the governors has any beneficial interest in the company. All of the governors are members of the company and guarantee to contribute £1 in the event of a winding up.

Indemnity provision for governors is provided through the school's insurers.

The board of governors administers the charity and determines the general policy of the school. The board now meets monthly, reviewing the current management financial reports and projections, together with the current strategy considerations. There is a sub-committee covering finance and general purposes which meets periodically, as required. The headmaster is appointed by the governors to manage the day to day operations of the charity. To facilitate effective operations, the headmaster has delegated authority, within the terms of delegation approved by the governors, for operational matters, including finance, employment and curriculum related activity. The headmaster has appointed a senior management team which assists with the implementation of policy.

Finance and General Purposes Committee Members

Jani Keep
Iain Greenshields
Isabel Smales
Liz Keightley

**The Northumbrian Educational Trust Ltd
(Operating as Westfield School)**

**Governors' Report
For the year ended 31 August 2020**

Senior Management Team

Headmaster - N Walker BSc MA PGCE

Deputy Head - K Quinn BA Hons PGCE

Assistant Head - S Ratcliffe LLB BA (Hons) MFA PGCE

Head of Sixth Form - E Wise BS (Hons) PGCE

Bursar and Clerk to The Governors - J Leese FCPFA

New governors are provided with induction training when elected/appointed to familiarise themselves with the school. In particular, the following areas are covered:

Safeguarding

Governance of charities

School policies and procedures

The above is reinforced annually through the inclusion of presentations by school staff at Board meetings, by attendance at termly inset days, ad hoc onsite training (Safeguarding, AGBIS, etc.) and the annual re-review of school policies. Governors are also assigned a specific faculty with whom they should co-ordinate via the Head of faculty.

There are no related party transactions to report.

Auditor

Following the resignation of the appointed auditors, Stokoe Rodger LLP, due to their withdrawal from audit work, a new auditor, Haines Watts was approved electronically by the Board following receipt of quotations from four reputable audit companies

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors' (who are also directors of Northumbrian Educational Trust North East for the purpose of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which 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 these financial statements, the trustees are required to:

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

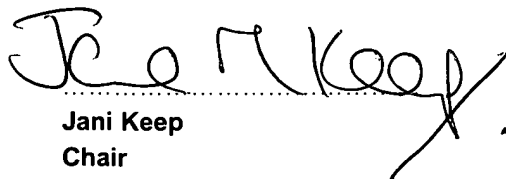
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

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

This report was approved by the Governors' on 21.01.2021

Signed on behalf of the Board


Jani Keep
Chair

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Independent Auditors Report to the Governors of The Northumbrian Educational Trust Ltd
For the year ended 31 August 2020

Opinion

We have audited the financial statements of The Northumbrian Educational Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activities, funders, suppliers and wider economy. The trustees' view on the impact of COVID-19 is disclosed on page 3 and the accounting policies note.

**The Northumbrian Educational Trust Ltd
(Operating as Westfield School)**

**Independent Auditors Report to the Governors of The Northumbrian Educational Trust Ltd
For the year ended 31 August 2020**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**The Northumbrian Educational Trust Ltd
(Operating as Westfield School)**

**Independent Auditors Report to the Governors of The Northumbrian Educational Trust Ltd
For the year ended 31 August 2020**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, 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.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



**Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts**

5 February 2021

Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Statement of Financial Activities (including the Income and Expenditure Account)
For the year ended 31 August 2020

	Notes	Unrestricted Fund general £	Unrestricted Funds designated £	Restricted funds £	Total 2020 £	Total 2019 £
Income from:						
Donations and legacies	3	147,495	46,063	-	193,558	18,000
Charitable activities	4	2,430,974	-	463	2,431,437	2,443,603
Investment Income	5	1,095	-	347	1,442	9,866
Other Income	6	-	-	-	-	4,954
Total Income		2,579,564	46,063	810	2,626,437	2,476,423
Expenditure on:						
Costs of providing education	7	2,352,843	12,626	323	2,365,792	2,303,575
Other costs	11	94,782	-	-	94,782	102,751
Total expenditure		2,447,625	12,626	323	2,460,574	2,406,326
Net gains/(losses) on investments	12	-	-	(428)	(428)	(1,557)
Net incoming resources before transfers		131,939	33,437	59	165,435	71,654
Gross transfers between funds		-	8,000	(8,000)	-	-
Net incoming resources		131,939	41,437	(7,941)	165,435	71,654
Other recognised gains and losses						
Revaluation of tangible fixed assets		-	-	-	-	(1,074,316)
Net movement in funds		131,939	41,437	(7,941)	165,435	(1,002,662)
Fund balances at 1 September 2019		1,442,925	6,128	41,164	1,490,217	2,492,879
Fund balances at 31 August 2020		1,574,864	47,565	33,223	1,655,652	1,490,217

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

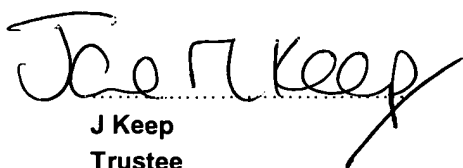
The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

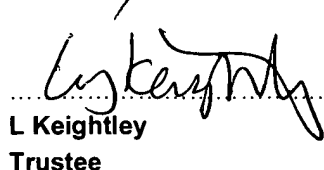
Balance Sheet
As at 31 August 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	13		3,896,301		3,938,658
Investments	14		23,677		24,105
			<u>3,919,978</u>		<u>3,962,763</u>
Current assets					
Stock	15	1,264		1,331	
Debtors	16	168,422		135,364	
Cash at bank and in hand		99,118		233,530	
		<u>268,804</u>		<u>370,225</u>	
Creditors: amounts falling due within One year	17	(462,922)		(861,400)	
Net current liabilities			(194,118)		(491,175)
Total assets less current liabilities			<u>3,725,860</u>		<u>3,471,588</u>
Creditors: amounts falling due after more than one year	17		(2,070,208)		(1,981,371)
Net assets			<u>1,655,652</u>		<u>1,490,217</u>
Income funds					
Restricted funds	22		33,223		41,164
Unrestricted funds					
Designated funds		47,565		6,128	
General unrestricted funds		1,574,864		1,442,925	
			<u>1,622,429</u>		<u>1,449,053</u>
			<u>1,655,652</u>		<u>1,490,217</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Governors on 21 JANUARY 2020 and signed on their behalf by:


J Keep
Trustee


L Keightley
Trustee

Company Number 00669916

The notes on pages 18 to 36 form part of these financial statements

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Cash flow statement
For the year ended 31 August 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27	(151,327)		400,652	
Investing activities					
Purchase of tangible fixed assets		(15,789)	(1,715,340)		
Interest received		1,442	9,866		
Unrealised gain on investments		428	-		
Net cash (used in)/generated from Investing activities		(13,919)	(1,705,474)		
Financing activities					
Repayment of borrowings		-	(67,000)		
Repayment of bank loans		(133,166)	5,949		
Payment of obligations under finance leases		-	(32,477)		
Cash inflows from new borrowings		164,000	-		
Net cash used in financing activities		30,834	(93,528)		
Net (decreased)/increase in cash and cash equivalents		(134,412)	(1,398,350)		
Cash and cash equivalents at beginning of year		233,530		1,631,880	
Cash and cash equivalents at end of year		99,118		233,530	

1. Accounting Policies

Charity information

The Northumbrian Educational Trust Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Westfield School, Oakfield Road, Gosforth, Newcastle upon Tyne, NE3 4HS.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The Northumbrian Educational Trust Ltd meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The charitable company has generated a surplus of £165,435 at 31 August 2020 (2019 - £71,654, before the loss on the property revaluation), at that date the net current liabilities were £194,118 (2019 - £491,175).

In light of the COVID-19 pandemic, budget and cash flow forecasts have been prepared for the next 3 years based on conservative estimates of pupil numbers. After seeing a small reduction in pupil numbers during the year, improvements have been seen post year end.

The financial statements have been prepared on the going concern basis, the validity of which depends on the continued financial support of the bank in the form of a long term loan, and an external benefactor. The financial impact of the COVID-19 pandemic has been clearly identified, managed and provided for. Thus, the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Funds

Unrestricted funds are available for use at the discretion of the governors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

**Note to the financial statements
For the year ended 31 August 2020**

1.4 Incoming resources

Income is recognised when the school is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income within charitable activities represents, in the main, school fees receivable less scholarships, bursaries and discounts. This income together with other operating income is included in the period to which the relevant activity takes place. Income received in advance of the period in which the activity takes place is included in deferred income.

Investment income is included when receivable by the charity.

Grant income is included on a performance mode, being included in the period to which the activity it relates to occurs.

1.5 Resources expended

Resources expenses are accounted for on an accruals basis and include attributable VAT which cannot be recovered as the company is not registered for VAT. Charitable activity costs includes expenditure relating to the operation of the school and includes both the direct costs and support costs relating to this activity. Support costs included central function expenditure. Governance costs include those occurred in the governance of the charity and its assets, and are primarily associated with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost or valuation less depreciation. New capital developments are depreciated only when work has been completed and they are brought into use. Expenditure on individual items that are over £1,000 and capital in nature are capitalised.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2% on cost less 99% residual value
Equipment	20% reducing balance (Computer equipment 20% straight line)
Fixtures & fittings	15% reducing balance
Motor vehicles	over expected useful life of 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The assets residual values and useful life are reviewed, and adjusted as appropriate, at the end of each reporting period. The effect of any change is accounted for retrospectively. During the year the trustees have reassessed the residual value of the assets and now consider this to be 99% due to the continual maintenance of the properties to a high standard.

Note to the financial statements
For the year ended 31 August 2020

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the school reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and net realised value.

1.10 Debtors

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

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of fund to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Employee benefits

The school operates a defined contributions pension scheme for non-teaching staff and some teaching staff. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the school is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

The school operates a defined contributions pension scheme for non-teaching staff and some teaching staff. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

The school participates in the Teachers' Pension Scheme, which is a statutory defined benefit scheme for teaching staff only. It is not possible to identify the assets and liabilities of the scheme which are attributable to the school. The charges to the statement of financial activities is the amount payable in the period.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.15 Concessionary loan

The loan to the school, qualifying as a public benefit entity concessionary loan, due to it being made to advance the charitable purposes for the benefit of the school, is not discounted.

2. Critical accounting estimates and judgements

In the application of the school's accounting policies, the governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Property Valuation

The freehold property is included in the accounts at valuation (note 13). Due to the unique nature of the site the identification of the valuation can be complex and uncertain, as in the event of a sale of the property, the disposal value would depend on the purchasers available at that time and their intentions for the site. The governors review the valuation at each year end and take into consideration the latest professional valuation, recent property disposals in the area and any changes in the site. They consider the current calculation to be a reasonable estimation of the current value of the site.

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

3 Donations and legacies

	2020	2019
	£	£
Donations and gifts	121,093	18,000
Government grants	72,465	-
	<u>193,558</u>	<u>18,000</u>

The government grants received during the year relate to the CJRS claimed.

4 Income from charitable activities

	2020	2019
	£	£
Provision of educational services	2,431,437	2,443,603
	<u>2,431,437</u>	<u>2,443,603</u>
Analysis of fund		
Unrestricted funds – general	2,430,974	2,443,169
Restricted funds	463	434
	<u>2,431,437</u>	<u>2,443,603</u>

5 Investments

	2020	2019
	£	£
Income from unlisted investments	-	638
Interest receivable	1,442	9,228
	<u>1,442</u>	<u>9,866</u>

6 Expenditure on charitable activities

	2020	2019
	£	£
Staff costs	1,571,511	1,485,067
Education costs	200,111	196,790
Depreciation and impairment	58,146	64,617
Support and governance costs (note 7)	536,024	557,101
	<u>2,365,792</u>	<u>2,303,575</u>
Analysis by fund		
Unrestricted funds - general	2,352,843	2,298,090
Restricted funds	12,949	5,485
	<u>2,365,792</u>	<u>2,303,575</u>

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

7 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Staff costs	247,825	-	247,825	237,553
Other school costs	126,074	-	126,074	140,788
Premises costs	140,608	-	140,608	157,689
Audit fees	-	5,250	5,250	10,680
Legal and professional	-	16,267	16,267	10,391
	<u>514,507</u>	<u>21,517</u>	<u>536,024</u>	<u>557,101</u>

8 Other costs

	2020	2019
	£	£
Financing costs	94,782	102,751
	<u>94,782</u>	<u>102,751</u>

Finance costs are loan and overdraft interest and finance lease interest.

9 Governors

None of the governors (or any persons connected with them) received any remuneration during the year and none of them were reimbursed expenses (2019 - £nil)

Trustees indemnity insurance is not currently in place for the charity.

10 Analysis of staff costs

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	1,425,092	1,402,659
Social security costs	129,237	127,424
Other pension costs	275,728	192,537
	<u>1,830,057</u>	<u>1,722,620</u>

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Teaching/Catering	52	50
Support	7	7
	<u>59</u>	<u>57</u>

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

10 Analysis of staff costs (Continued)

Remuneration and benefits received by key management personnel who constitute the senior management team amounted to £308,301 (2019 - £304,472).

The number of employees whose annual remuneration was £60,000 or more were:

	2020	2019
	Number	Number
£60,000 - £70,000	1	1
	<u>1</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000 1 (2019 - 1) have retirement benefits accruing under defined benefits pension schemes.

11. Net movement for the year

This is stated after charging:

	2020	2019
	£	£
Depreciation	58,146	64,617
Operating lease expense	36,390	83,143
	<u>94,536</u>	<u>147,760</u>

12. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the charity's auditors for the audit of the charity's annual accounts	5,250	10,680
	<u>5,250</u>	<u>10,680</u>

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

13. Tangible fixed assets

	Freehold Land and Buildings	Equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost of valuation					
At 1 September 2019	3,825,000	239,388	360,376	29,790	4,454,554
Additions	-	10,312	1,680	3,800	15,792
At 31 August 2020	3,825,000	249,700	362,056	33,590	4,470,346
Depreciation and impairment					
At 1 September 2019	-	178,478	307,629	29,789	515,896
Charge for the year	-	45,777	11,609	760	58,146
At 31 August 2020	-	224,255	319,238	30,549	574,042
Carrying amount					
At 31 August 2020	3,825,000	25,445	42,818	3,041	3,896,304
At 31 August 2019	3,825,000	239,388	360,376	29,790	4,454,554

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £27,534 (2019 - £33,445) for the year.

	2020 £	2019 £
Computers	-	27,534

The freehold land and buildings were valued on an open market basis in August 2019 by a firm of independent Chartered Surveyors, at £3.825m.

At 31 August 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £4,908,739 (2019 - £4,899,316).

Freehold land and buildings have been pledged to secure borrowings of the school. The school is not allowed to pledge these assets as security for other borrowings or to sell them to another entity, without the permission of the borrower.

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

14 Fixed asset investments

	Unlisted Investments £
Cost or valuation	
At 1 September 2019	24,105
Valuation changes	(428)
At 31 August 2020	<u>23,677</u>
Historical cost	<u>23,318</u>

15 Stocks

	2020 £	2019 £
Catering supplies and consumables	1,264	1,331

16 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	156,257	116,198
Prepayments and accrued income	12,165	19,166
	<u>168,422</u>	<u>135,364</u>

17 Creditors: amounts falling due within one year

	2020 £	2019 £
	Notes	
Bank loans	18	69,847
Obligations under finance leases	19	-
Other taxation and social security		31,101
Fees in advance		241,928
Trade creditors		22,274
Other creditors		30,358
Accruals		67,414
		<u>462,922</u>

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

17 Creditors: amounts falling due after more than one year

		2020	2019
	Notes	£	£
Bank loans	18	1,125,354	1,195,201
Other borrowings		900,000	736,000
Deferred income		44,854	50,170
		<u>2,070,208</u>	<u>1,981,371</u>

18 Loans and overdraft

		2020	2019
		£	£
Bank loans		1,195,201	1,326,925
Other loans		900,000	736,000
		<u>2,095,201</u>	<u>2,062,925</u>
Payable within one year		69,847	131,724
Payable after one year		<u>2,025,354</u>	<u>1,931,201</u>

The bank loan is secured by a first legal charge on the school's freehold land and buildings. The loan is repayable in quarterly instalments, with interest charged at a fixed rate of 6.2%

The other loan, which is repayable in annual instalments, is secured by a second charge on the school's freehold land and buildings. This loan qualifies as a public benefit entity concessionary loan and as such has not been discounted. Interest is charged at 1% above the Barclays base lending rate.

19 Finance lease commitments

Future minimum lease payments due under finance leases:

	2020	2019
	£	£
Within one year	-	20,971

It is the charitable company's policy to lease certain equipment under lease. The average lease term is 5 years. Due to the nature of the lease and the value of the repayments, the lease has been treated as a finance lease. The average effective borrowing rate for the year was 4%. The repayments and hence the effective interest rate are fixed at the contract date. All leases are on a 'fixed' repayment basis and no arrangements have been entered into for contingent rental payments.

These leases are secured on the assets to which they relate.

Note to the financial statements
For the year ended 31 August 2020

20 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	156,257	116,198
Equity instruments measured at cost less impairment	23,677	24,105
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,390,504	2,554,718
	<u> </u>	<u> </u>

21 Retirement benefit schemes

Defined contribution schemes

The school operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the school in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £40,998 (2019 - £8,481).

Defined benefit scheme

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of The Teachers' Pension Scheme

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The next valuation is expected to take effect in 2023.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

Scheme Changes

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

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

22 Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Year ended 31 August 2020

	At 1 September 2019 £	Income £	Expenditure £	Transfers £	At 31 August 2020 £
Unrestricted funds	1,442,925	2,579,564	(2,447,625)	-	1,574,864
Designated funds					
Comenius Project	6,128	-	-	-	6,128
Fundraising Future Development	-	46,063	(12,626)	8,000	41,437
Total unrestricted funds					
Restricted funds					
The Prize and Bursary Fund	5,321	181	(206)	-	5,296
The Old Girls' Association	10,393	463	-	-	10,856
The Governors Fund for Round Square Projects	830	-	-	-	830
The Margaret Crombie Memorial Scholarship Fund	14,353	166	(222)	-	14,297
The Library Fund	1,427	-	(214)	-	1,213
Mrs Hulls Donation Fund	115	-	-	-	115
Junior House Play Equipment	725	-	(109)	-	616
Fundraising for future development	8,000	-	-	(8,000)	-
	41,164	810	(751)	(8,000)	33,223
Total	1,490,217	2,626,417	(2,461,002)	-	1,655,652

Designated Funds

Comenius Project – funds provided by the British Consul designed by the governors to be used to enhance the experiences of the girls through trips and additional school facilities.

Fundraising Future Development - Funds raised using a professional fundraiser to help finance the next phase of the school's capital development.

Restricted Funds

The Prize and Bursary Fund – used to purchase of prizes and trophies awarded to girls. It may also be used for the award of bursaries to current pupils at the school. The fund is currently invested in the Charities Aid Foundation Income Fund and the income is used for the purchases of prizes awarded on Speech Day.

The Old Girls' Association – used to send a copy of the school magazine to recent old girls. Resources are also available to finance events which may be arranged from time to time. Parents of all girls in Senior House contribute £1 subscription per term for their daughter's membership of The Old Girls' Association.

The Governors' Fund for Round Square Projects – used to provide financial help to pupils who would not otherwise be able to take part in Round Square overseas activities. The fund was set up as a result of donations by members of the board of governors.

The Margaret Crombie Memorial Scholarship fund – used to award two scholarships each year. One scholarship is awarded to a sixth former for overseas travel and the other scholarship is awarded to the girl who achieves the best results in A Level examinations. The source of the fund was a donation by Professor Alex Crombie, in memory of his wife, who was a founder governor of the school. The fund is currently invested in a Charities Foundation income fund.

The Library Fund – The Source of the funds was a gift from Dr D Monaghan, a grant from the Westfield Association and contributions from parents, originally for the library refurbishment. The remaining balance will be used to support library resources.

Mrs Hulls Donation Fund – used for the development of languages in Junior House. The source of this fund was a donation from Mrs Hulls.

Junior House Play Equipment – used to purchase play equipment used by Junior House. The expenditure in the year represents the release of depreciation. The source of the fund was monies raised by Junior House.

Westfield Association – donations by the Westfield Association towards the provision of the minibus.

Fundraising for future development – Funds raised using a professional fundraiser to help finance the next phase of the school's capital development.

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

23 Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Year ended 31 August 2019

	At 1 September 2018 £	Income £	Expenditure £	Transfers £	At 31 August 2019 £
Unrestricted funds	2,461,813	2,462,397	(3,475,157)	(6,128)	1,442,925
Designated funds					
Comenius Project	-	-	-	6,128	6,128
Total unrestricted funds					
Restricted funds					
The Prize and Bursary Fund	4,414	307	(150)	-	5,321
The Old Girls' Association	9,959	434	-	-	10,393
The Governors Fund for Round Square Projects	830	-	-	-	830
The Margaret Crombie Memorial Scholarship Fund	13,215	331	-	807	14,353
The Library Fund	1,679	-	(252)	-	1,427
Mrs Hulls Donation Fund	115	-	-	-	115
Junior House Play Equipment	854	-	(129)	-	725
Westfield Association	-	4,954	(4,954)	-	-
Fundraising for future development	-	8,000	-	-	8,000
	31,066	14,026	(5,485)	807	41,164
Total	1,490,217	2,626,417	(2,461,002)	-	1,490,217

Designated Funds

Comenius Project – funds provided by the British Consul designed by the governors to be used to enhance the experiences of the girls through trips and additional school facilities.

Restricted Funds

The Prize and Bursary Fund – used to purchase of prizes and trophies awarded to girls. It may also be used for the award of bursaries to current pupils at the school. The fund is currently invested in the Charities Aid Foundation Income Fund and the income is used for the purchases of prizes awarded on Speech Day.

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The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

24 Analysis of net assets between funds

<u>Year ended 31 August 2020</u>	Unrestricted	Designated	Restricted	
	Funds	Funds	Funds	Total
	2020	2020	2020	2020
	£	£	£	£
Tangible assets	3,896,301	-	-	3,896,301
Investments	-	-	23,677	23,677
Current assets/(Liabilities)	(251,229)	47,565	9,546	(194,118)
Long term liabilities	(2,070,208)	-	-	(2,070,208)
	<u>1,574,864</u>	<u>47,565</u>	<u>33,223</u>	<u>1,655,652</u>

<u>Year ended 31 August 2019</u>	Unrestricted	Designated	Restricted	
	Funds	Funds	Funds	Total
	2019	2019	2019	2019
	£	£	£	£
Tangible assets	3,936,506	-	2,512	3,938,658
Investments	4,431	-	19,574	24,105
Current assets/(Liabilities)	(516,641)	6,128	19,338	(491,175)
Long term liabilities	(1,981,371)	-	-	(1,981,371)
	<u>1,442,925</u>	<u>6,128</u>	<u>41,164</u>	<u>1,490,217</u>

25 Operating lease commitments

At the reporting end date the school had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	46,796	36,390
Between two and five years	57,911	114,358
	<u>104,707</u>	<u>150,748</u>

26 Related party transactions

There were no related party transactions during the year (2019 – none).

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

27	Cash generated from operations	2020 £	2019 £
	(Deficit)/surplus for the year	165,435	71,654
	Adjustments for:		
	Investment income recognised in statement of financial activities	-	(9,866)
	Fair value gains and losses on investments	-	(1,557)
	Depreciation and impairment of tangible fixed assets	58,146	64,617
	Movements in working capital:		
	(Increase)/decrease in stocks	67	(512)
	(Increase) in debtors	(33,058)	(16,689)
	Increase/(decrease) in creditors	(341,917)	297,645
	Cash generated from/(absorbed by) operations	(151,327)	400,652

28	Analysis of changes in net debt	At 1 Sep 2019 £	Cash flows £	At 31 Aug 2020 £
	Long term borrowings	(1,931,201)	(94,153)	(2,025,354)
	Short term borrowings	(131,724)	61,877	(69,847)
	Total liabilities	(2,062,925)	(32,276)	(2,095,201)
	Cash and cash equivalents	255,530	(134,412)	99,118
		(1,829,395)	(166,688)	(1,996,083)

The Northumbrian Educational Trust Ltd
(Operating as Westfield School)

Note to the financial statements
For the year ended 31 August 2020

29 Statement of Financial activities as at 31 August 2019

	Unrestricted Fund general £	Unrestricted Funds designated £	Restricted funds £	Total 2020 £
Income from:				
Donations and legacies	10,000	-	8,000	18,000
Charitable activities	2,443,169	-	434	2,443,603
Investment Income	9,228	-	638	9,866
Other Income	-	-	4,954	4,954
Total Income	2,462,397	-	14,026	2,476,423
Expenditure on:				
Costs of providing education	2,298,090	-	5,485	2,303,575
Other costs	102,751	-	-	102,751
Total expenditure	2,400,841	-	5,485	2,406,326
Net gains/(losses) on investments	-	-	1,557	1,557
Net incoming resources before transfers	61,556	-	10,098	71,654
Gross transfers between funds	(6,128)	6,128	-	-
Net incoming resources	55,428	6,128	10,098	71,654
Other recognised gains and losses				
Revaluation of tangible fixed assets	(1,074,316)	-	-	(1,074,316)
Net movement in funds	(1,018,888)	6,128	10,098	(1,002,662)
Fund balances at 1 September 2018	2,461,813	-	31,066	2,492,879
Fund balances at 31 August 2019	1,442,925	6,128	41,164	1,490,217