

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 2018

THURSDAY



A27 *A7L6PEH4* #122
20/12/2018
COMPANIES HOUSE

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
LEGAL AND ADMINISTRATIVE INFORMATION**

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
Principal address	Westfield School Oakfield Road Gosforth Newcastle upon Tyne NE3 4HS
Registered office	Westfield School Oakfield Road Gosforth Newcastle upon Tyne NE3 4HS
Auditor	Stokoe Rodger LLP 15 Bankside The Watermark Gateshead Tyne & Wear NE11 9SY
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)
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**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2018**

The governors are pleased to present their report and accounts for the year ended 31 August 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity's objects 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 world wide 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 unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of 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.

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

Achievements and performance

In September 2017 the Governors were pleased to welcome to Westfield, Mr Neil Walker as Headmaster. Neil joined us from Piper's Corner School, High Wycombe. He came with 21 years of experience in girls' education and has particular interest in science and technology and loves the outdoors.

Academic performance

The Governors have great pleasure in noting the outstanding successes and achievements of Westfield girls over the last year, who gained results in A Level and GCSE examinations which far surpassed the national average. These excellent results clearly illustrate the high level of dedication and commitment from our teaching and support staff who have maintained the improvement of value added scores at GCSE and A Level and who strive to help our students achieve to the best of their abilities. All Sixth Form leavers went on to their first choice of university place, internship or Apprenticeship with destinations including Leeds, Stirling and other Russell Group universities, to study subjects as varied as Law, Biomedicine, Archaeology and Fashion Design, to name but a few.

Westfield places a particular emphasis on encouraging young women to enter STEM careers. There were strong performances from the girls across the curriculum with some exceptional grades in both English, Modern languages and both Maths and further Maths. 75% of the Maths cohort have gone on to study Maths/ Engineering at university.

At GCSE 100% of students achieved A* to C (9-4) grades with 42% of them achieving A* to A (9-7) grades.

At A LEVEL, there was another exceptional year of outstanding A Level results, achieving a 98% pass rate across all subjects. 56% of grades were A* to B. 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 with K2 SATS results below.

KS2 SATS

Reading: At/or above expected standard 85% (62% greater depth) - Nationally 75% of children reached the expected standard.

Spelling and Grammar: At/or above expected standard 92% (46% greater depth) – Nationally 78% of children reached the expected standard.

Maths: At/or above expected standard 85% (46% greater depth) – Nationally 76% of children reached the expected standard.

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

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. This year children represented the school at an International conference in South Africa. Two Senior girls also went to work on service projects in Ecuador and Costa Rica.

All students in Upper 4 (year 9) take 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 this year joined with Newcastle School for Boys and completed their practice expedition weekend.

Key Stage 2 year groups in Junior House took part in a joint three day residential 'Spy School' where activities included canoeing, rock climbing, team building and problem solving exercises and orienteering.

The whole school was involved in service projects during Activities Week in July at various special schools in the Newcastle area. As part of our association with Round Square, children engaged in fundraising activities to support many charities including the Prince Alexander Fund which raises money to buy the raw materials for building work on the Round Square service projects. The entire school also continues to support and raise funds of £940 enabling two girl students to attend Starahē school in Kenya.

The Macmillan Coffee Morning raised £662. Other noticeable amounts raised include £281 for Save the Children and £444 for Colitus, achieving a grand total for charities over the year of over £3.7k

Some of the year's highlights have seen many girls achieving outstanding achievements representing the City at netball, athletics, cross country and swimming. We enjoy beautiful grounds with AstroTurf courts enabling pupils to have year round involvement in Sport and our results reflect the hard work and enthusiasm of the pupils both in and out of school. Individual success stories in sport include one girl who has just played for England in the girls' U16 golf team against Ireland. Another student is a GB age group sailor and there is another student who represents Northumberland at bowls.

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 "Bugsy" in conjunction with the Newcastle School for Boys. This has hopefully started a closer working relationship across the drama and music departments in both schools. We also enjoyed successful musical and performing arts soirées.

The Art and Graphics department held the annual exhibition of A Level and GCSE work, showcasing the usual outstanding standard of talent from within the school.

We held three very successful outreach days with local state primary schools in STEM, Health and Wellness and Creative Arts, inviting a total of 168 children from 10 different schools to Westfield.

The Chair would like to thank her fellow Governors, the Headmaster, the Bursar and the whole team of teaching and non teaching staff, our parents and our girls for their invaluable contributions and unswerving commitment to our community.

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

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. Girls participated in Round Square International Service Projects in Costa Rica and Ecuador. We also continue to sponsor two girls at the Starehe Girls' School in Nairobi.

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
- French School
- Weekly Scottish Dancing class
- Weekly Pilates class
- Used as a polling station during local 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 three very successful outreach days with local state primary schools in STEM, Health and Wellness and Creative Arts.

Westfield Association

All current parents are members of the Westfield Association. The Association organises social fundraising events. All 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, a digital piano and allow for the refurbishment some of the school's laptops. They also provided funds for the purchase of a large Camellia logo which is displayed prominently at one of the school's entrances.

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.

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

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.

In the year ended 31 August 2018 Westfield School gave fee remissions for 70 bursaries and scholarships equating to £263,192 (2017 - 59 amounting to £235,553). This equates to 10.3% of fee income (2017 – 9.5%). Of this, means-tested bursaries account for £200,836 or 7.88% of fees remission (2017 - £198,963 or 8%).

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 £3,702 (2017 - £3,775) was donated to charities as follows:

- Macmillan Coffee Morning
- Starehe School, Kenya
- Prince Alexander Fund
- Poppy Appeal
- LEPROA
- Peoples Kitchen
- Northumberland Wildlife
- Save the Children
- Children's Society
- Colitus

Financial review

The governors report that the school incurred a surplus of £1,849,360 in the year ended 31 August 2018 largely due to the profit on the sale of Ashfield Towers (Junior House) as detailed in note 5. A revaluation of the remaining property indicated a decrease in the valuation by £174,300.

Note 6 details exceptional costs incurred in the year, in connection with potential development of school property to provide additional funds, school strategy review and for the re-provision of Junior House on the main school site and the creation of a new STEM facility as part of the review of the school strategy (school development plan).

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

The governors recognise the need to ensure that the school operates efficiently and effectively and maintains a healthy and sustainable cash flow and manageable debt provision. The governors have continued to develop strategies for increasing pupil numbers whilst better utilising the school's asset base and have implemented a rigorous cost control program, all of which have contributed towards a modest forecast operating surplus for 2018/2019.

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

Reserves policy

Note 23 of the financial statements shows the net assets by category attributable to the various funds. Restricted funds amount to £31,067 (2017 - £32,241) and unrestricted funds £2,461,812 (2017 - £611,278).

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 £4.5m in December 2017 based on an open market value and the sale during the year of Ashfield Towers (Junior House) resulted in a profit which is detailed in the financial statements and a consequent reduction of fixed assets also reflected in the financial statements.

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 endeavor 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. Term deposits over varying terms (32 day, 65 day & 95 day) have been set up in order to maximize interest.

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

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;
- comprehensive strategic planning, budgeting and management accounting;
- 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.

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2012 indicated a whole scheme notional past service deficit of £15 billion. The final report from the next formal valuation at 31 March 2016 is awaited with any changes in contribution rates being anticipated to be implemented September 2019. The contributions are anticipated to rise and the school has incorporated this into its forecasts. As a multi-employer pension scheme the school accounts for the contributions to the scheme as if it were a defined contribution scheme.

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 funds generated from the sale of Junior House were principally used in the first instance to repay the bank overdraft (£850,000 facility) and repay £600,000 of the current benefactor loan. Thereafter the majority (£1.3 million) of the remaining funds would be set aside for the re-provision of Junior House on the main school site and the creation of a new STEM facility, allowing a small amount to be available for working capital.

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)	Re-elected 19/4/18
Iain Greenshields LLB	Elected
Kathryn Manzo PhD	Elected
Isabel Smales	Elected
Kris Bainbridge BA (Hons)	Elected
Lex Dowie MA (Cantab)	Elected
Liz Keightley	Re-elected 19/4/18
Ian Henderson	Re-elected 19/4/18
Jacqueline Rowley	Elected

Secretary and Clerk to the governors
Joseph Leese FCPFA

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 16 members (2017 - 18 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.

There is no indemnity provision for governors.

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

Senior Management Team

Headmaster from 1/9/17 - N Walker BSc MA PGCE
Deputy Head - K Quinn BA Hons PGCE
Assistant Head - C Baines BSc Hons PGCE
Assistant Head - S Ratcliffe LLB BA (Hons) MFA PGCE
Head of Sixth Form - E Wise BS (Hons) PGCE
Facilities Manager - P Harris to 31/10/17
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 (Head of faculty).

There are no related party transactions to report.

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

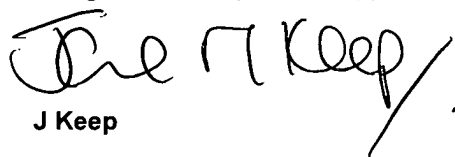
Auditor

In accordance with the company's articles, a resolution proposing that Stokoe Rodger LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The governors' report was approved by the Board of Governors.



J Keep

Dated: 13 December 2018

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The governors, who are also the directors of The Northumbrian Educational Trust Ltd 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 governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the school and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 school will continue in operation.

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the school 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 school and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
INDEPENDENT AUDITOR'S REPORT**

TO THE GOVERNORS OF THE NORTHUMBRIAN EDUCATIONAL TRUST LTD

Opinion

We have audited the financial statements of The Northumbrian Educational Trust Ltd (the 'school') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the 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 2018 and of its incoming resources and application of resources, 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 accounts section of our report. We are independent of the school in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the school'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 governors are responsible for the other information. The other information comprises the information included in the 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 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.

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE GOVERNORS OF THE NORTHUMBRIAN EDUCATIONAL TRUST LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the governors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors, who are also the directors of the school for the purpose 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 governors 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 governors are responsible for assessing the school'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 governors 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

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Carol Conyers (Senior Statutory Auditor)
for and on behalf of Stokoe Rodger LLP

18 December 2018

Chartered Accountants
Statutory Auditor

15 Bankside
The Watermark
Gateshead
Tyne & Wear
NE11 9SY

Stokoe Rodger LLP is eligible for appointment as auditor of the school by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income and endowments from:</u>					
Charitable activities	3	2,456,740	429	2,457,169	2,404,783
Investments	4	-	560	560	876
Other income	5	2,024,107	4,969	2,029,076	4,954
Total income		4,480,847	5,958	4,486,805	2,410,613
<u>Expenditure on:</u>					
<u>Charitable activities</u>					
Costs of providing education	6	2,348,019	5,765	2,353,784	2,595,529
Total charitable expenditure		2,348,019	5,765	2,353,784	2,595,529
Other costs	10	107,994	-	107,994	135,585
Total resources expended		2,456,013	5,765	2,461,778	2,731,114
Net gains/(losses) on investments	11	-	(1,367)	(1,367)	(605)
Net incoming/(outgoing) resources		2,024,834	(1,174)	2,023,660	(321,106)
<u>Other recognised gains and losses</u>					
Revaluation of tangible fixed assets		(174,300)	-	(174,300)	161,575
Net movement in funds		1,850,534	(1,174)	1,849,360	(159,531)
Fund balances at 1 September 2017		611,278	32,241	643,519	803,050
Fund balances at 31 August 2018		2,461,812	31,067	2,492,879	643,519

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
BALANCE SHEET
AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12	3,362,251		4,683,532	
Investments	13	22,548		23,915	
		<u>3,384,799</u>		<u>4,707,447</u>	
Current assets					
Stocks	15	1,179		1,396	
Debtors	16	118,675		80,499	
Cash at bank and in hand		1,631,880		-	
		<u>1,751,734</u>		<u>81,895</u>	
Creditors: amounts falling due within one year	19	(505,338)		(1,311,280)	
Net current assets/(liabilities)		<u>1,246,396</u>		<u>(1,229,385)</u>	
Total assets less current liabilities		<u>4,631,195</u>		<u>3,478,062</u>	
Creditors: amounts falling due after more than one year	20	(2,138,316)		(2,834,543)	
Net assets		<u><u>2,492,879</u></u>		<u><u>643,519</u></u>	
Income funds					
Restricted funds	22	31,067		32,241	
Unrestricted funds		2,461,812		611,278	
		<u><u>2,492,879</u></u>		<u><u>643,519</u></u>	

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
BALANCE SHEET (CONTINUED)**

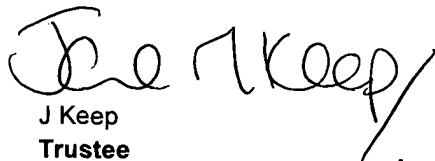
AS AT 31 AUGUST 2018

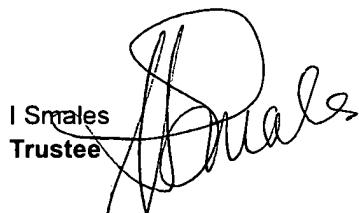
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The governors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Governors on 13 December 2018


J Keep
Trustee


I Smales
Trustee

Company Registration No. 00669916

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash absorbed by operations	26		(67,167)		(149,437)
Investing activities					
Purchase of tangible fixed assets		-		(95,905)	
Proceeds on disposal of tangible fixed assets		3,116,307		-	
Interest received		560		876	
Net cash generated from/(used in) investing activities			3,116,867		(95,029)
Financing activities					
Proceeds from borrowings		-		403,000	
Repayment of borrowings		(600,000)		-	
Repayment of bank loans		(57,154)		(53,506)	
Payment of obligations under finance leases		(32,477)		(33,261)	
Net cash (used in)/generated from financing activities			(689,631)		316,233
Net increase in cash and cash equivalents			2,360,069		71,767
Cash and cash equivalents at beginning of year			(728,189)		(799,956)
Cash and cash equivalents at end of year			1,631,880		(728,189)
Relating to:					
Cash at bank and in hand			1,631,880		-
Short term deposits included in current asset investments			-		-
Bank overdrafts included in creditors payable within one year			-		(728,189)

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 accounts have been prepared in accordance 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)" (as amended for accounting periods commencing from 1 January 2016). The school is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the school. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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.

1.3 Charitable 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.

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.

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 model, 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 include 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.

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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	Not depreciated
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.

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 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.

1.11 Financial instruments

The school has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the school's balance sheet when the school becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Concessionary loans are loans at below prevailing market rates, to assist wholly, or in part, with the furtherance of the charities objectives. These are initially recognised at the amount received, with the carrying amount adjusted in future years for any repayments, accrued interest and impairment.

Derecognition of financial liabilities

Financial liabilities are derecognised when the school's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

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.

1.13 Retirement benefits

The school operates a defined contributions pension scheme for non-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.

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 12). 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 valuation to be a reasonable estimation of the current value of the site.

3 Charitable activities

	2018	2017
	£	£
Sales within charitable activities	2,457,169	2,404,783
	<u> </u>	<u> </u>
Analysis by fund		
Unrestricted funds	2,456,740	
Restricted funds	429	
	<u> </u>	
	<u>2,457,169</u>	
	<u> </u>	
For the year ended 31 August 2017		
Unrestricted funds		2,404,387
Restricted funds		396
		<u> </u>
		<u>2,404,783</u>
		<u> </u>

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

4 Investments

	2018	2017
	£	£
Income from unlisted investments	<u>560</u>	<u>876</u>

5 Other income

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Net gain on disposal of tangible fixed assets	2,024,107	-	2,024,107	-
Other income	<u>-</u>	<u>4,969</u>	<u>4,969</u>	<u>4,954</u>
	<u>2,024,107</u>	<u>4,969</u>	<u>2,029,076</u>	<u>4,954</u>
For the year ended 31 August 2017	<u>-</u>	<u>4,954</u>		<u>4,954</u>

The net gain on the disposal of tangible fixed assets, relates to the sale of a property which was part of the freehold land and buildings. This property has granted the school a one year lease, for a nominal rent. This will allow the school time to undertake development work to relocate the facilities within the remaining site.

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

6 Charitable activities

	2018 £	2017 £
Staff costs	1,487,810	1,648,515
Depreciation and impairment	50,308	51,271
Education costs	176,627	182,488
	<u>1,714,745</u>	<u>1,882,274</u>
Share of support costs (see note 7)	570,583	627,457
Share of governance costs (see note 7)	68,456	85,798
	<u>2,353,784</u>	<u>2,595,529</u>
Analysis by fund		
Unrestricted funds	2,348,019	
Restricted funds	5,765	
	<u>2,353,784</u>	
For the year ended 31 August 2017		
Unrestricted funds		2,588,028
Restricted funds		7,501
		<u>2,595,529</u>

Exceptional items

The accounts include the following exceptional items:

- Governance costs includes
 - £Nil (2017 - £27,059) regarding the abortive sale of school land and property; and
 - School development strategy £41,612 (2017 - £32,849)
- Support costs includes premises costs with regard to a roof repair of £Nil (2017 - £36,823)

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

7 Support costs

	Support costs	Governance costs	2018	2017	Basis of allocation
	£	£	£	£	
Staff costs	233,903	-	233,903	232,026	
Other school costs	155,750	-	155,750	174,362	
Premises costs	180,930	-	180,930	221,069	
Audit fees	-	10,984	10,984	11,178	Governance
Legal and professional	-	15,860	15,860	14,712	Governance
School development strategy	-	41,612	41,612	32,849	Governance
Abortive sale of school property	-	-	-	27,059	Governance
	<u>570,583</u>	<u>68,456</u>	<u>639,039</u>	<u>713,255</u>	
Analysed between Charitable activities	<u>570,583</u>	<u>68,456</u>	<u>639,039</u>	<u>713,255</u>	

8 Governors

None of the governors (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed expenses (2017- - £Nil)

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

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

9 Employees

Number of employees

The average monthly number employees during the year was:

	2018	2017
	Number	Number
Teaching/Catering	50	54
Support	8	9
	<u>58</u>	<u>63</u>

Employment costs

	2018	2017
	£	£
Wages and salaries	1,404,231	1,535,998
Social security costs	125,747	139,019
Other pension costs	191,735	205,524
	<u>1,721,713</u>	<u>1,880,541</u>

Remuneration and benefits received by key management personnel who constitute the senior management team amounted to £322,484 (2017 - £338,924).

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

	2018	2017
	Number	Number
over 60,000	<u>1</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, 1 (2017: 1) have retirement benefits accruing under defined benefit pension schemes.

10 Other costs

	2018	2017
	£	£
Net loss on disposal of tangible fixed assets	4,473	-
Financing costs	103,521	135,585
	<u>107,994</u>	<u>135,585</u>

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

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

11 Net gains/(losses) on investments

	2018	2017
	£	£
Revaluation of investments	(1,367)	(605)

12 Tangible fixed assets

	Freehold land and buildings	Equipment	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 September 2017	4,500,000	213,458	342,973	29,790	5,086,221
Disposals	(1,092,200)	-	(6,191)	-	(1,098,391)
Revaluation	(174,300)	-	-	-	(174,300)
At 31 August 2018	3,233,500	213,458	336,782	29,790	3,813,530
Depreciation and impairment					
At 1 September 2017	-	91,568	281,332	29,789	402,689
Depreciation charged in the year	-	39,879	10,429	-	50,308
Eliminated in respect of disposals	-	-	(1,718)	-	(1,718)
At 31 August 2018	-	131,447	290,043	29,789	451,279
Carrying amount					
At 31 August 2018	3,233,500	82,011	46,739	1	3,362,251
At 31 August 2017	4,500,000	121,890	61,641	1	4,683,532

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 £30,489 (2017 - £30,489) for the year.

	2018	2017
	£	£
Computers	60,979	91,468

The freehold land and buildings were valued on an open market basis in December 2017 by a firm of independent Chartered Surveyors, at £4.5m, which was the value used at 31 August 2017. During the current year, a part of the site has been sold. The year end valuation has been re-assessed by the governors and is based on the previous valuation, property disposal in the year and after consideration of the change of use for one area of the site.

At 31 August 2018, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £3,233,500 (2017 - £4,338,425).

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

12 Tangible fixed assets

(Continued)

The reduction in the valuation of the property has been set against general unrestricted funds as there is no balance in the revaluation reserve.

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.

13 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 September 2017	23,915
Valuation changes	(1,367)
	<hr/>
At 31 August 2018	22,548
	<hr/>
Carrying amount	
At 31 August 2018	22,548
	<hr/>
At 31 August 2017	23,915
	<hr/>

Fixed asset investments revalued

Investments consists of non-managed investment portfolios held with the Charities Aid Foundation. They are included at the market valuation detailed on the year end investment statement.

14 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	97,947	68,641
Equity instruments measured at cost less impairment	22,548	23,915
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	2,303,823	3,827,170
	<hr/>	<hr/>

15 Stocks

	2018 £	2017 £
Catering supplies and consumables	1,179	1,396
	<hr/>	<hr/>

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

16 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	97,947	68,641
Prepayments and accrued income	20,728	11,858
	<u>118,675</u>	<u>80,499</u>

17 Loans and overdrafts

	2018	2017
	£	£
Bank overdrafts	-	728,189
Bank loans	1,320,976	1,378,130
Other loans	803,000	1,403,000
	<u>2,123,976</u>	<u>3,509,319</u>
Payable within one year	61,051	785,343
Payable after one year	<u>2,062,925</u>	<u>2,723,976</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>1,506,477</u>	<u>2,137,615</u>
------------------------	------------------	------------------

The bank loan is secured by a first legal charge on Senior House, in 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 after more than one year, in annual instalments, is secured by a second charge on Junior House, also in freehold land and buildings. This loan qualifies as a public benefit entity concessionary loan and has not been discounted. The loan is interest free until August 2018, from which time interest is charged at a rate of 1% above the Barclays base lending rate.

18 Finance lease commitments

Future minimum lease payments due under finance leases:

	2018	2017
	£	£
Within one year	33,261	33,261
Within two and five years	20,187	52,664
	<u>53,448</u>	<u>85,925</u>

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

18 Finance lease commitments

(Continued)

It is the 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.

19 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	17	61,051	785,343
Obligations under finance leases	18	33,261	33,261
Other taxation and social security		31,019	34,441
Deferred income		253,608	226,309
Trade creditors		34,140	71,284
Other creditors		59,616	66,976
Accruals and deferred income		32,643	93,666
		<u>505,338</u>	<u>1,311,280</u>

20 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans	17	1,259,925	1,320,976
Obligations under finance leases	18	20,187	52,664
Other borrowings		803,000	1,403,000
Deferred income		55,204	57,903
		<u>2,138,316</u>	<u>2,834,543</u>

**THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
(OPERATING AS WESTFIELD SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 £8,159 (2017 - £7,377).

Defined benefit scheme

The Teachers' Pension Scheme is a statutory, unfunded, defined benefit occupational pension scheme, governed by The Teachers' Pension Regulations 2010 (as amended) and The Teachers Pension Scheme Regulations 2014 (as amended). Membership is voluntary and open to members of the teaching profession in England and Wales, subject to meeting the membership criteria.

Contributions to the Scheme are set at rates determined by the Secretary of State. The contributions partially fund payments from the Scheme with the balance of funding provided by Parliament. The Scheme's administrative expenses are borne by Scheme employers, payable as a percentage of pensionable earnings.

The Government Actuary's Department performed an actuarial valuation of the Scheme at 31 March 2012 in accordance with 'The Public Service Pensions (valuations and Employer Costs Cap) Directions 2014'. The valuation determines the rate of employer contribution payable and the initial employer cost cap. The valuation report was published by the Department for Education on 9 June 2014, with the key results of the valuation being:

- employer contributions were set at 16.4%, with a 0.08% charge for administrative expenses.
- at the effective date, total Scheme liabilities for service were £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15 billion.
- an employer cap of 10.9%

The next formal valuation at 31 March 2016 is in progress with the results expected to be implemented in 2019.

The Teachers' Pension Scheme is a multi-employer pension scheme. The school has accounted for contributions to the scheme as if it were a defined contribution scheme.

The charge to profit or loss in respect of defined benefit schemes was £183,574 (2017 - £198,147).

THE NORTHUMBRIAN EDUCATIONAL TRUST LTD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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22 Restricted 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:

	Movement in funds				
	Balance at 1 September 2017	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 31 August 2018
	£	£	£	£	£
The Prize and Bursary Fund	4,805	270	-	(659)	4,416
The Old Girls' Association	9,530	429	-	-	9,959
The Governors Fund for Round Square Projects	830	-	-	-	830
The Margaret Crombie Memorial Scholarship Fund	13,633	290	-	(708)	13,215
The Library Fund	2,324	-	(645)	-	1,679
Mrs Hulls Donation Fund	115	-	-	-	115
Junior House Play Equipment	1,004	-	(151)	-	853
Westfield Association	-	4,969	(4,969)	-	-
	<u>32,241</u>	<u>5,958</u>	<u>(5,765)</u>	<u>(1,367)</u>	<u>31,067</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

22 Restricted funds

(Continued)

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.

23 Analysis of net assets between funds

	Unrestricted funds £	Restricted Funds £	Total £
Fund balances at 31 August 2018 are represented by:			
Tangible assets	3,359,718	2,533	3,362,251
Investments	4,917	17,631	22,548
Current assets/(liabilities)	1,235,493	10,903	1,246,396
Long term liabilities	(2,138,316)	-	(2,138,316)
	<u>2,461,812</u>	<u>31,067</u>	<u>2,492,879</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

24 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:

	2018 £	2017 £
Within one year	-	13,534
Between two and five years	151,682	141,189
	<u>151,682</u>	<u>154,723</u>

Operating lease payments in the year amounted to £72,022 (2017 - £88,598).

25 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).

26 Cash generated from operations

	2018 £	2017 £
Surplus/(deficit) for the year	2,023,660	(321,106)
Adjustments for:		
Investment income recognised in statement of financial activities	(560)	(876)
Gain on disposal of tangible fixed assets	(2,019,634)	-
Fair value gains and losses on investments	1,367	605
Depreciation and impairment of tangible fixed assets	50,308	51,094
Movements in working capital:		
Decrease in stocks	217	193
(Increase)/decrease in debtors	(38,176)	10,920
(Decrease)/increase in creditors	(108,949)	71,287
Increase in deferred income	24,600	38,446
Cash absorbed by operations	<u>(67,167)</u>	<u>(149,437)</u>