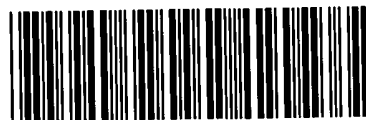


Whickham School and Sports College
(a company limited by guarantee and not having a share
capital)

Annual Report and Financial Statements
Company number 07729766
31 August 2016

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Contents

Reference and Administrative Details	1
Governors' Report	2
Governance Statement	17
Statement on Regularity, Propriety and Compliance	21
Statement of Governors' Responsibilities	22
Independent Auditor's Report to the members of Whickham School and Sports College	23
Independent Reporting Accountant's Assurance Report on Regularity to Whickham School and Sports College and the Education Funding Agency	25
Statement of Financial Activities	27
Balance Sheet	28
Cash Flow Statement	29
Notes	30

Reference and Administrative Details

Whickham School and Sports College (Academy Trust) has governance arrangements which consist of Members, Directors, Trustees, and Governors.

Members:

J L M Axelby (Resigned 7 March 2016)
H Cadzow (Resigned 1 December 2016)
I Dormer
T H Hopper*# (Resigned 31 August 2016)
S L Ban*# (Appointed 22 November 2016)
L Levy
D Stephenson (Chair of Members)

**Governors and Trustees
(Directors):**

G Anderson (Term of office ended 26 September 2015)
S L Ban*# (Chair of Governors from 22 November 2016)
M A Brain* (Term of office ended 19 March 2016)
J Butler* (Term of office ended 1 September 2015)
D L Camsell
D Coleman (Appointed 21 October 2015, resigned 14 December 2015)
M S Crabtree*
K Haigh
G R Haley*
A G Hewison (Acting Chair of Governors from 1 September 2016 to 22 November 2016)
R J Hewson
R Hogarth*
T H Hopper*# (Chair of Governors to 31 August 2016) (resigned 31 August 2016)
M Ledger
G Little#
P J Maughan (Term of office ended 1 September 2015)
V McLeod (Appointed 21 October 2015)
M Phillipson
G A Potse*
D L Stephenson
R J Tolley (Term of office ended 26 September 2015)
I J V Turnbull
A Wilson*

S Haigh* (Head Teacher/Accounting Officer)

* Members of the Staffing, Finance and General Purposes Committee
Members of the Audit Committee

Head Teacher:

S Haigh

Company secretary:

H Davison

Senior Management team:

Associate Head Teacher
Senior Deputy Head Teacher
Deputy Head Teacher
Deputy Head Teacher
Senior Assistant Head Teacher
Assistant Head Teacher
Assistant Head Teacher
Assistant Head Teacher
Assistant Head Teacher
Business Manager

F Turnbull (from 1 September 2016)
F Turnbull (until 31 August 2016)
T Conway
P Wheatley
M Grimes (Resigned 31 August 2016)
K Binns
D Crossland (Appointed 1 September 2016)
S Mathieson (Resigned 21 February 2016)
K Websdale
H Davison

Principal and registered office:

Burnthouse Lane, Whickham, Newcastle upon Tyne, NE16 5AR

Company registration number:

07729766 (England and Wales)

Independent auditor:

KPMG LLP, Quayside House, 110 Quayside, Newcastle upon Tyne, NE1 3DX

Bankers:

Lloyds Bank, 102, Grey Street, Newcastle upon Tyne, NE1 6AG

Solicitors:

Bond Dickinson LLP, One Trinity, Broad Chare, Newcastle upon Tyne, NE1 2HF

The references made to 'parents' throughout this document refers to parents, carers and guardians.

Governors' Report

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors of Whickham School and Sports College are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Whickham School and Sports College (Academy Trust).

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

Members' Liability

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

Governors' Indemnities Companies Act 2006 s236

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

Principal Activities

The characteristics of the Academy set down in Section 1(6) of the Academies Act 2010, are that:

- The school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum).
- If the school provides secondary education, its curriculum for the secondary education has an emphasis on a particular subject area, or particular subject areas, specified in the Agreement.
- The school provides education for students of different abilities.
- The school provides education for students who are wholly or mainly drawn from the area in which the school is situated.

Method of Recruitment and Appointment or Election of Governors

- The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.
- In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered student at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Governors' Report *(continued)*

Co-opted Governors

- The Governors may appoint up to one Co-opted Governor. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Principal).

Appointment of additional Governors

- The Secretary of State may give a warning notice to the Governors where she is satisfied:
 - That the standards of performance of students at the Academy are unacceptably low.
 - That there has been a serious breakdown in the way the Academy is managed or governed.
 - That the safety of students or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).
- For the purposes of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy Trust delivered to the Office setting out:
 - The matters referred to in Article 19.
 - The action which she requires the Governors to take in order to remedy those matters.
 - The period within which that action is to be taken by the Governors ('the compliance period').
- The Secretary of State may appoint such Additional Governors as she thinks fit if the Secretary of State has:
 - Given the Governors a warning notice in accordance with Article 19; and
 - The Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.
- The Secretary of State may also appoint such Additional Governors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a five year period, of two Ofsted grades. For the purposes of the foregoing the grade received by Whickham School shall be regarded as the grade received by the Academy.

Appointment of additional Governors

- The Secretary of State may also appoint such Further Governors as she thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.
- Within five days of the Secretary of State appointing any Additional or Further Governors in accordance with Articles 21, 62A or 22 any Governors appointed holding office immediately preceding the appointment of such Governors, shall resign immediately and the Members' power to appoint Governors under Article 9 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Governors.

Governors' Report *(continued)*

Policies and Procedures Adopted for the Induction and Training of Governors

The Governing Body and Head Teacher believe it is essential that all new Governors receive a comprehensive induction package covering a broad range of issues and topics. There is a commitment to ensure that the new Governors are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of Governors.

Purpose

- To welcome new Governors to the Governing Body and enable them to meet other Governors.
- To encourage new Governors to visit the school to experience its atmosphere and understand its ethos.
- To meet the Head Teacher, staff and pupils.
- To explain the partnership between the Head Teacher, school and Governing Body.
- To explain the role and responsibilities of Governors.
- To explain how the Governing Body and its committees work.
- To enable new Governors to join the committee(s) of their choice.
- To give background material on the school and current issues.
- To enable new Governors to ask questions about their role and/or the school.

New Governors will:

- Be welcomed to the Governing Body by the Chair.
- Be invited by the Head Teacher to visit the school.
- Have the opportunity to tour the school and meet staff and children.
- Receive an informal briefing on the school from the Head Teacher.
- Have the opportunity to meet informally with an existing governor who then acts as their active mentor.
- Be accompanied by their mentor to their first full Governing Body meeting.
- Have the opportunity to review their first meeting with the mentor.

New Governors will receive from Governor Support:

- The new Governor induction pack.
- The instrument of government which notes the composition of the governing body.
- A Disclosure and Barring Service (DBS) application form.
- A governor details form.
- An eligibility form.
- A membership list for the governing body.
- The code of conduct for the governing body (if one has been agreed).
- The committee structure, terms of reference and membership for the governing body.
- The Governor Support Service Development Directory.
- A copy of the most recent Governor Support Service newsletter.

New Governors will receive from the school:

- The school prospectus.
- Recent school newsletters.
- A calendar of school events.
- The school improvement plan (SIP).
- A full list of staff and the staffing structure.
- Copies of the key policy statements including the school visits policy.
- A full set of papers from the last full governing body meeting.
- Details of how to contact the other Governors.
- Details of how to contact the school including the email address.

Governors' Report *(continued)*

Areas the Head Teacher will cover include:

- Background to the school.
- Current issues facing the school.
- Visiting the school.
- The relationship between the Head Teacher and Governing Body.

Areas that the mentor will cover include:

- An overview of the Governor's role.
- How the full Governing Body and committee meetings are conducted.
- How to propose agenda items.
- Governor training.

Organisational Structure

The Academy Trust is a charitable company limited by guarantee. It has a strategic role in running the academy and is responsible for appointing the Governors. It has control over the land and other assets and delegates management of the school to the Governors.

Powers of Governors

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Academy Trust shall be managed by the Governors who may exercise all the powers of the Academy Trust. No alteration of the Articles and no such direction shall invalidate any prior act of the Governors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the governors/trustees by the Articles and a meeting of Governors at which a quorum is present may exercise all the powers exercisable by the Governors.

The Head Teacher, as Accounting Officer, has personal responsibility to the Governing Body for financial and administrative matters including:

- Ensuring regularity and propriety.
- Prudent and economical administration.
- Avoidance of waste and extravagance.
- Efficient and effective use of available resources.
- Day to day organisation, staffing and management of the Academy.

The Governing Body have appointed a Business Manager and Company Secretary and have entered into a Service Level Agreement with Gateshead Metropolitan Borough Council to provide clerking to the Governors.

Delegation of Decision Making to Management

1. Staffing – appointment of teaching and non-teaching staff.
2. Curriculum – responsibility for standards of teaching, subject options to be taught and each individual child's education.
3. Performance Management – implementation of policy.
4. Religious Education – provision of Religious Education (RE) in line with locally agreed syllabus.
5. Collective Worship – arrangements for and application to the advisory councils concerning the requirements for collective worship.
6. Health and Safety – institute a policy.
7. Information for Parents – ensure provision of free school meals to those students meeting criteria.

Connected Organisations, including Related Party Relationships

The Academy has no connected organisations.

Governors' Report *(continued)*

Objectives and Activities

The Academy Trust's objective is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

At Whickham School we aim to provide a first class education to students from the ages of 11 to 18 and we seek to provide a structured educational environment that develops our students' capabilities, competencies and skills. We promote the academic, moral and physical development of our students through the academic curriculum, pastoral care, sporting and other activities and we provide an educational environment where each student can develop and fulfil his or her potential, building their self-confidence and desire to contribute to the wider community.

Objects and Aims

The strategic vision has been developed from a view of what we would wish for our students as they grow and develop through their school career at Whickham School. It states clearly what we value and guide the strategic objectives which define our ethos.

Objectives, Strategies and Activities

This provides a brief summary of some of the key objectives for the year ahead:

1. Student progress to be outstanding.

This will be achieved through the following strategies:

- Consistent application of learning taxonomy.
- Use of appraisal and CPD programme to develop bespoke support programmes that secure consistent teaching, learning and assessment that is good or better.
- Ensure Maths strategy is implemented in full.
- Implementation of recommendations from Languages diagnostic (June 2016).
- Effective use of Pupil Premium funding to raise achievement of disadvantaged students.
- Middle leader programme to enhance effectiveness of leadership and management at Programme Leader (PL) level.
- Implementation of Year 11 action plans.
- Year 11 student support programme.

2. Student and staff welfare, wellbeing and personal development is of the highest quality.

This will be achieved through the following strategies:

- Restructuring of Student Support Services.
- Implementation of strategies from Investors in People Health and Wellbeing Programme.
- Implementation of new Behaviour Policy.
- Consistent application of learning taxonomy.
- Use of appraisal and CPD programme to develop bespoke support programmes that secure consistent teaching, learning and assessment that is good or better.
- Implementation of Citizenship / Assembly Programme to promote British values, Social, Moral, Spiritual and Cultural (SMSC) values and to raise awareness of dangers of risk taking activities.

Governors' Report *(continued)*

Public Benefit

The Academy Trust Governors have complied with their duty in that the school teaches the national curriculum and meets the standards set by Ofsted. The Academy Trust Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic Report

Achievements and Performance

In 2015/16 the school attempted to achieve the following objectives:

1. Student progress to be outstanding
2. Student and staff welfare, wellbeing and personal development is of the highest quality

Student progress to be outstanding (Key Stage 4)

Progress at KS4, as measured by the government's preferred measure, Progress 8, has improved significantly over time, both for all students and for disadvantaged students:

Measure	2016		2015 First		2015 Best	
	All	Disadvantaged	All	Disadvantaged	All	Disadvantaged
P8	0.07	-0.29	-0.18	-0.79	-0.02	-0.63
P8 English	-0.29	-0.58	0.00	-0.42	0.12	-0.36
P8 Maths	-0.22	-0.62	-0.99	-1.56	-0.45	-0.85
P8 EBACC	0.11	-0.44	-0.30	-1.32	-0.27	-1.30
P8 Open	0.45	0.27	0.37	0.00	0.43	0.02

In 2016 all elements rose significantly with the exception of the English measure. Please note that 2016 data is based on initial unamended (provisional) data from the DfE while 2015 first entry data is based on amended (finalised) data from the DfE. 2015 best entry data is the school's restatement of 2015 data taking into account the best result each student achieved.

The school undertook a number of strategies in 2015/16 to improve the progress of all students across the school with a significant focus on disadvantaged students, Maths and humanities subjects. As a result, the overall figure rose substantially showing that students at Whickham School make more progress on average than students nationally. In addition, the gap in progress between all students and disadvantaged students decreased significantly overall and in every Progress 8 measure. A dip in the overall progress for students in English will need to be addressed in 2016/17.

Overall the school judges progress at KS4 to have improved from Requires Improvement to Good. It is not yet outstanding.

Governors' Report *(continued)*

Student progress to be outstanding (Key Stage 5)

Progress at KS5, is measured through Value Added data with the school's results compared to the national post-16 results data set. Please note that 2016 data is based on initial unamended (provisional) data from the DfE while 2015 data is based on amended (finalised) data from the DfE.

Measure	2016	2015	2015 NA
A-Level Value Added	-0.02	-0.02	0.00
Academic Value Added	-0.05	-0.02	0.00
Applied General Value Added	+1.04	+0.58	0.00
Average Progress in GCSE English resit	0.64	0.67	-0.18
Average Progress in GCSE Maths resit	0.66	0.38	-0.29

Performance of vocational programmes is outstanding with students achieving, on average over a grade higher than similar students would make. A-Level and academic performance is fractionally weaker than national average, however the school has a more inclusive enrolment to courses than is seen nationally.

Progress at KS5 is judged to have been Good. It is not yet outstanding.

Student and staff welfare, wellbeing and personal development is of the highest quality

The school has made significant progress towards the achievement of this objective. Impact is evidenced through:

- The successful restructuring of Student Support Services. This has enabled the school to put in place a structure that increases capacity to effectively support students whilst also changing practices that will ultimately lead to a cultural shift in the pastoral team.
- Changes to the school Behaviour Policy have been made that have resulted in improvements in student behaviour. This is positively impacting upon the quality of teaching, learning and assessment as well as student progress.
- A whole school focus on aspects of teaching, learning and assessment that were identified as requiring improvement. Training has taken place to improve teacher skill levels and confidence in key areas such as assessment and questioning. This has led to improved student progress in lessons. The quality of teaching, learning and assessment has therefore improved from requires improvement to good.
- Use of appraisal to support and challenge all staff in developing practice, meeting Teacher Standards and focusing efforts on key school improvement priorities. Appraisal judgements and performance of the school are closely aligned.
- The support staff appraisal system has been reviewed and realigned to match the teaching appraisal cycle with clear, focused, SMART objectives and priorities.
- The appointment of a Citizenship leader who is, through a high quality programme, promoting British values as well as social, moral, spiritual and cultural issues.
- The formation of a staff wellbeing group who are implementing a programme designed by the TUC with the aim to work towards the better health at work award. This has led to a staff health and wellbeing survey which in turn has provided the focus for clear supportive campaigns using staff voice. Two members of staff have undertaken advocate training to support with the effective delivery of the programme. Actions are impacting positively on the health and wellbeing of the collective staff workforce.

Overall the school judges Student and Staff welfare, wellbeing and personal development to be good but not yet outstanding.

Governors' Report *(continued)*

Leadership and Accountability

During the past year we have been inspected by Ofsted and received a judgement of Requires Improvement. Our initial inspection involved two inspectors on the first day and eight on the second day (12th & 13th January). This was a very large and experienced team that gathered a lot of evidence, and they recognised our strengths and the significant improvements over the past eighteen months. They also pointed out that we had not yet fully eliminated the variability in the quality of outcomes and in teaching and learning, but that current indicators are very positive. Their collective judgement was that the school was good in all aspects, however following Ofsted's internal quality assurance review it was decided that the evidence base was incomplete and two different inspectors were sent into school on 28th January. This third day was much more focused on probing for weaknesses as they added to the evidence base. No judgements were given at the end of the third day as all the evidence from all three days was to be reviewed by another senior inspector. This took several weeks before a final judgement was reached. Our strengths continue to be recognised in leadership and management; pupil personal development, behaviour and welfare; Sixth Form. However there was a change in emphasis and weight given to the historical outcomes and variability, and so the judgements for teaching and learning and outcomes were changed to requires improvement. This also meant that the judgment for the school as a whole is requires improvement as is dictated by the current framework.

Report Findings:

The published report recognises the strength and capacity in leadership of the school and that the school continues to improve. It is recognised that we identified what needed to be done over eighteen months ago and that these actions are making a significant difference and the school is improving rapidly. We are already doing the things that are necessary to ensure that we eliminate any inconsistency or variation in the quality of education we provide, however there is no room for any complacency. We are proud of the quality of care, guidance and support we give to our pupils as we look after their welfare and wellbeing. Behaviour for learning is a very positive aspect of the school that is hard won and easily lost, so we will ensure that we continue to encourage positive behaviours and deal effectively with anything that conflicts with the welfare and education of pupils in the school. The Sixth Form is a considerable strength of the school and it is pleasing to see that this has been recognised for both teaching, learning and outcomes.

The report text recognised the strengths of the school and this was followed up with an HMI monitoring visit (at the school's request) that commended the actions the school is taking to address the issues raised by Ofsted initially and once again commented positively on the strength of leadership.

The following quotes are extracted from the HMI monitoring report published on 11th July 2016:

"The headteacher is very clear about what needs to be done to improve the school. Working with governors and with his leadership teams, he has moved swiftly and effectively to address the inconsistencies in the quality of teaching. He has worked robustly and carefully with staff to develop and maintain a culture of high expectations. This is having a positive impact on pupils' outcomes.

Senior leaders are determined to improve the quality of teaching and eradicate inconsistency. They monitor teaching carefully and robustly. They use a range of sources of information, including regular lesson observations, the scrutiny of pupils' work and conversations with pupils, to help staff reflect on and improve the quality of their teaching. Staff report that this is challenging, but that it is having a positive impact on the work of the school. One member of staff reported that there had been a 'profound culture shift'. She welcomed this.....

The school's plans are clear and detailed and address the areas for improvement identified at the previous inspection. They contain ambitious yet realistic targets that set out clearly what needs to be done, by when and by whom. The plans contain clear indications of how the impact of the school's actions will be assessed.....

The work of middle leaders at the school is increasingly effective. They are well supported by members of the senior team. Middle leaders work closely together and are now firmly focused on improving teaching in their areas of the school. They achieve this through regular monitoring and training for their teams.

Governors' Report *(continued)*

For example, middle leaders have led after-school sessions aimed at improving the quality of 3 teachers' questioning of pupils. These sessions, which involve teachers from across the curriculum working together, have helped staff develop their questioning skills so that they can better help pupils develop, extend and deepen their learning. Pupils report that they have noticed and welcome this more challenging approach to questioning.

The progress of disadvantaged pupils (those who are eligible for pupil premium funding) is improving, particularly in key stage 3. The gap between their achievement and that of other pupils with similar starting points nationally is closing. Leaders acknowledge that the gap is still too wide, however, and they recognise that more work needs to be done in order for this gap to close more rapidly."

Leadership and accountability at Whickham School continue to be a strength. Appraisal and monitoring is robust and has measurable impacts upon the performance of pupils and teachers. Progress of learners and teaching are good and improving and so there are reasons to be optimistic about the outcome of future inspections.

Care, Guidance, Support, and Safeguarding

Student care, guidance and support continues to be a strength of the school. Excellent pastoral care is vital in achieving the school vision and ensure all students are happy, safe and successful. All staff have undertaken Prevent training. An electronic child protection software system (CPOMS) has been introduced and has improved safeguarding communications and processes further. Staff at all levels are effectively trained in safeguarding procedures and effective communication ensures parents and carers as well as students understand school policies and practices that promote student safety and welfare.

In the last academic year the quality of care, guidance, support and safeguarding has been good as evidenced below:

- Student attendance was at a record level of 95.3%.
- Behaviour is good and has improved further after the implementation of a new Behaviour Policy.
- Behaviour for Learning has improved as evidenced through improvement in student achievement and quality of teaching and learning.
- Recruitment for the new pastoral staff restructure was undertaken during the Summer term 2016, ready for full implementation from 1 September 2016. The introduction of non-teaching posts within the pastoral function has provided increased contact time for students and opportunities for enhanced monitoring of pupil progress to accelerate student learning within KS3 and KS4.

Duke of Edinburgh Awards

Whickham School runs the acclaimed Duke of Edinburgh Awards scheme at all three levels. This is open to students from Years 10 to 13. As part of the rigorous programme they complete an expedition, develop new skills, carry out volunteering and for the 'Gold' award, organise and participate in a residential trip.

School Visits

The school participates in a host of international visits each year. In 2015/16 students have visited Belgium, France, Germany, Iceland, Switzerland, Uganda and New York. These visits took place for a range of reasons; sightseeing, course related projects, sports based activities and students leadership projects.

International Inspirations

Our school has a link with Lango College in Northern Uganda, through the International Inspirations project. Two staff, fourteen of our students and the Deputy Headteacher from Clover Hill Primary School had the opportunity to go to Uganda to work with students from Lango College and organise, run and inspire younger students through sport dance and art. They organised and led a one day festival for over 400 young students from the surrounding area. They also visited eight primary schools, working with students and teachers. In 2018 another group of 14 students will be repeating this experience.

World Challenge

Every second year we take students on a World Challenge expedition. The students raise funds for the trip over two years. This year 15 students took up the challenge and completed a three week expedition in Borneo. World Challenge is designed to develop students Leadership qualities and independence.

Governors' Report *(continued)*

The students trek for a week and complete a community project. This year the students built a room for a school and decorated it.

Previous visits have been to Tanzania, Namibia, Bolivia, Ladakh / India and Mexico. The next World Challenge project is currently in the planning stage, and students are excited for the next international expedition which will take place in 2018.

Parents' Forum

Listening and responding to the voice of our parents is extremely important to us. A Parents' Forum exists to enable our parents to support with continued improvement, and to articulate any concerns on school matters. We seek the opinion of Parents to gauge their opinions on key changes like school uniform, the school reporting system, and many other issues.

Parents' Forum meets once a half term on the second Monday. The Forum has an agenda and theme for each meeting and also time for parents to raise any whole school concerns they may have.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Financial Performance Indicators

Whickham School demonstrates a history of positive net assets, adequate cash flow to sustain operations and to support the academic programme and consistently operates within budget.

The Academy consistently maintained cash flow necessary to sustain operations and advance the academic programme through the year.

The Academy will build up reserves in order to mitigate risk should there be a delay in grants or unforeseen increase in expenditure.

In 2015/16 the Academy has utilised previous years' reserves but continues to have a healthy overall level of both restricted and unrestricted funds.

Other KPIs which are monitored closely include:

- **Staff costs:** Whickham School, where possible, will keep staffing costs to 80% or below of total income

The core staffing costs (excluding supply teacher costs) increased slightly in percentage terms in 2015/16 to 80.8% (2015: 80.4%) of total income, however this was again primarily due to reduced income levels. Factors for the reduced income were predominantly changes at a national and local level in the formula funding for Academies.

- **Pension liability:** Whickham School will demonstrate its ability to cover any increase in pension liability for Support Staff

The Governing Body recognise the liability existing in the Tyne & Wear pension scheme for staff and are satisfied that existing cash flows are sufficient to meet any anticipated increase in costs.

The pension liability has been reported within the accounts in accordance with FRS 102.

Governors' Report *(continued)*

Financial Review

“Whickham School will develop an annual budget that can be sustained by enrolment and additional sources of revenue and is in support of student academic achievement.”

The school's annual budget is sustained by its enrolment and additional sources of revenue. The school has a well-tested budget process that relies on building a needs based budget each year. Departmental requests are combined into a whole-school budget draft consolidated by Business Manager and Head Teacher who ensure that the draft addresses the school's strategic objectives and accounts for all reasonably anticipated expenses. This draft is then converted into a proposal that is reviewed first by the Staffing, Finance & General Purposes Committee and again by the full Governing Body.

Termly year-to-date reports comparing budget versus actual spending are presented to both the Audit Committee and then the Finance General Purposes and Staffing Committee, where significant variances are explained in writing. While historical school expenditures have not varied significantly from the approved budget, the change in net assets has been higher than projected due to conservatively budgeted revenues.

Financial and Risk Management Objectives and Policies

The Academy made an operating deficit, after the impacts of transition to FRS 102, of £550,000 (2015: £635,000) in the year, and held fund balances at 31 August 2016 of £3,347,000 (2015: £5,706,000) comprising restricted reserves of £3,147,000 (2015: £5,550,000) and unrestricted reserves of £200,000 (2015: £156,000).

Total income in the period was £8,188,000 (2015: £8,545,000), all of which came from Education Funding Agency (EFA) (or equivalent) grants. As the majority of the grant income is student number driven it is imperative that recruitment and retention levels are maintained, or increased over time.

Excluding the impact of the £681,000 depreciation of fixed assets, the Academy generated an underlying operating surplus of £131,000 (2015: £63,000).

Reserves Policy

The Governors of the Academy aim to carry forward a prudent level of resources designed to meet a long-term cyclical need of renewal and any unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA.

Within the Reserves Policy the Academy has a medium term target to build up a level of reserves (both restricted, i.e. General Annual Grant (GAG) and unrestricted) which equated to approximately three months working capital. This has not been met, and the midterm strategy was to build these reserves over a period of seven years.

However it has been acknowledged that it is more likely to be a longer term strategy with a twelve year timeline to achieve this target in view of the demographic dip in the North East Region, acknowledgement of reduced student numbers and the changes to the funding formula for Academies. Given the current financial climate it would be prudent to review this policy and set a more realistic goal and timeline. The Academy held total fund balances at 31 August 2016 of £3,347,000 (2015: £5,706,000).

Investment Policy

The Governors have approved a treasury policy in relation to the investment of surplus funds. The overriding principle in lending is to limit risk rather than maximise return. The following instruments are approved as investments by the Academy:

- Fixed term deposits.
- Notice term deposits.
- Bank or building society deposit accounts.
- Money market funds.

No investment will be for a duration exceeding 364 days. To reduce counterparty risk no more than £1m should be invested with a single approved counterparty. Reports are presented to the Board of Governors annually detailing the performance of investments made over that period.

Governors' Report *(continued)*

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy have been reviewed by the Governors and are set out in the risk register which has been approved by the Board of Governors. The major risks are highlighted below in the Risk Management section of this report. The risk register of the Academy is reviewed regularly, however the main risk which has been facing the Academy over recent years has been the knowledge of the demographic dip with birth rates within the region.

As the majority of income received by the Academy is student number driven strategies are in place to enhance what is already a strong transition program for our feeder primary schools, along with marketing strategies to attract admissions from wider catchment areas. The Board of Governors is acutely aware that the Academy is operating in an increasingly competitive environment and that maintaining the strong reputation of the Academy in the community and wider catchment areas is imperative. Achievement of the strategies outlined in plans for the future should secure intake at the required level. Current funding formula changes have also impacted on funding allocations, however the school have managed to set a balanced budget for the forthcoming financial year.

Risk Management

The management of risks to the School and the fulfilment of the Vision Statement is undertaken in accordance with the Funding Agreement and the Academies' Financial Handbook.

The Governing Body is responsible for risk management and for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding public funds and other funds and assets for which it is responsible. The Governing Body is advised in this role by the Finance, Staffing and General Purposes Committee and both are advised and informed by members of the Leadership Team. A review of the Academy's risk management process is undertaken throughout the year and is managed by the relevant committees covering financial stability and employment, premises and health and safety and curriculum and student welfare.

The Governing Body fulfils its role by establishing the system of internal control:

- Approving and reviewing a series of policies that underpin the internal control process.
- Agreeing objectives, plans and resources by means of the budget and the annual School Evaluation and School Development Plans.
- Approving the policy statement and the Risk Register and reviewing them carefully each year to identify risks, near misses and opportunities.
- Considering carefully the advice from the Auditor and Audit Committee on internal financial controls, together with advice from any external consultants or inspectors.

The Leadership Team fulfils its Risk Management role by:

- Implementing Governors' policies on risk management and internal control advising the Finance, Staffing and General Purpose Committee of the fundamental risks faced by the school and helping to evaluate them.
- Providing timely and sufficient information to Governors and the Finance, Staffing and General Purpose Committee on the status of risks and controls.
- Assisting the Finance, Staffing and General Purpose Committee to draw up and revise the Risk Register.
- Working to embed risk management and risk-based internal control in all aspects of school management.

Plans for Future Periods

Objectives, Strategies and Activities

In January 2016 the school was judged by Ofsted to require improvement. Governors, staff and a range of other stakeholder have worked together in identifying key objectives that, if achieved, will ensure the school is judged good or outstanding within the next two years. Mark Evans (HMI) completed a monitoring visit in July 2016 and confirmed the objectives and supporting strategies were both appropriate and already having an impact upon the quality of provision.

Governors' Report *(continued)*

The objectives for the year ahead and key strategies that will be employed are detailed below. If these objectives are achieved then KS4 student progress will be at least good (above 0 in Progress 8 measure) and the gap in achievement between disadvantaged and other pupils will have disappeared.

1. Teaching and learning in all lessons to be consistently good or better.

This will be achieved through:

- Consistent application of agreed lesson routines by all staff.
- All teachers using higher order questioning to provide sufficient support, stretch and challenge to enable students to improve progress over time.
- All teachers' accurately assessing prior learning and assessing learning in lessons continually.
- All teachers moving individual pupils' learning on to the next level of challenge or providing appropriate scaffolding as soon as it is clear that it is required.
- All teachers sharing learning intentions with students that are linked to the specification and the scheme of work and with a "real world" context.
- All teachers making pupils think by providing timely feedback that requires additional thinking and action.

2. To engage disadvantaged pupils and their parents/carers to ensure that their achievement and attendance matches that of other pupils.

This will be achieved through:

- Ensuring all staff are aware of the issues faced by disadvantaged pupils and barriers to achievement at school.
- Pastoral leaders accurately identifying the deficit with disadvantaged pupils and putting into place action plans to overcome specific barriers.
- Disadvantaged pupils participating in a wide range of enrichment activities.
- The attendance of disadvantaged pupils to be at or above the level of other pupils (including persistent absentees).
- Teaching and learning containing continuous gap analysis by teachers that identifies gaps and informs intervention/modifications in teaching.
- The gap in progress and attainment of disadvantaged pupils to be below national average overall and below 10% in attainment measures.

3. Pupils, all staff and parents from all our communities model positive behaviours and take pride in the work we do.

This will be achieved through:

- Ensuring pupils meet the expected standards for completion of work in class and at home.
- Ensuring registration period and lesson routines are rigorously adhered to, including the correct wearing of uniform.
- Ensuring pupil work is completed to a high standard, and is appropriate to the needs of each pupil.
- Celebrating, publicising and using as exemplars where appropriate pupil work.
- All staff and pupils modelling positive behaviours and mutual respect, which forms part of every lesson and the interactions around school.
- Parents providing regular constructive feedback to school.
- Ensuring the school is at the heart of the community. Pupils are great ambassadors and receive positive feedback from the community when representing school

Governors' Report *(continued)*

4. To ensure that data informs planning, teaching, learning and outcomes.

This will be achieved through:

- A reliable and accurate baseline for assessment data provides a robust set of reference data for teachers which is used to inform planning.
- Middle leaders supporting and challenging teaching staff following data analysis.
- Implementation of a revised grading system to address "assessment beyond levels", with revised schemes of assessment, testing and learning.
- Teachers being held to account for the accuracy of their predictions, thus challenging teachers to ensure that over time, the assessments and tests used are robust as the data they provide is accurate and reliable.
- Ensuring progress data is timely, reliable and accurate.
- Pastoral and support services acting upon data to intervene where individuals or groups are underperforming.

Curriculum

The school Leadership and Governors will continue to review the business and curriculum plans to ensure that we are always well prepared and have the flexibility to respond to changing needs within the educational landscape. Changes in the examination requirements have been incorporated into our annual review of provision along with the new 'Progress 8' measures.

Succession Planning

We are continuing with our leadership development programme which is aimed at improving the quality and capacity of leadership at all levels within the school. The school and students will benefit by having highly effective leaders delivering the highest level of quality education for all learners, thus giving capacity to have a workforce both teaching and support staff, who are capable of making the next step in their career development. Staff will benefit by having the confidence to use a wider skill set in achieving objectives and be better prepared to take up any opportunities for promotion.

Building Plans

The school have secured a place within the Priority School Building Programme 2 capital scheme. Whickham School is one of sixteen schools within the North East Region to be granted what will be a significant refurbishment or rebuild of the school site. Confirmations of the programme and timelines for the phase of works is expected at the end of this forthcoming autumn term 2016.

Partnerships with other schools

The school is conscious of the benefits of working in partnership with community organisations and business and especially with other schools (in all phases). We will continue to develop these partnerships.

Financial Stability

It is in the interest of the whole community which Whickham School serves that stability is maintained. The local funding formula places Whickham School at a significant disadvantage to similar schools regionally and nationally. National funding formula may result in increased basic funding entitlement for Keystage 3 and 4 pupils as these are currently well below national averages. The net result of this would be an increase in overall pupil lead funding.

The per pupil funding allocated is significantly lower than any other similar school in England and this presents some significant challenges that can only be met through efficiency savings. Financial stability is crucial in ensuring that we can deliver the objectives we have set and we will continue to work with the Gateshead Schools Forum to address the basic funding needs of the school. We will continue to enhance our reputation through maintaining high academic standards and publicising the many successes achieved in all spheres. We will also continue to be effective in promoting the school with all parents, particularly those who have children of primary school age, thus ensuring that we maintain our status as an oversubscribed school.

Governors' Report *(continued)*

Funds held as Custodian Trustee on behalf of others

Whickham School and Sports College do not hold assets or act as custodian trustee.

Auditor

In so far as the Governors are aware:

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

Approved by order of the members of the governing body Board of Governors on 12 December 2016 and signed on its behalf by:



Ms Sasha Ban
Chair of the Governors

Governance Statement

The Governors (who act as Trustees for charitable activities of Whickham School and Sports College and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Scope of Responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Whickham School & Sports College Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of governing body any material weaknesses or breakdowns in internal control.

Governance Statement *(continued)*

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing body met formally on four occasions, however Governors met collectively on a fifth occasion in December 2015 for annual training and to approve the financial company accounts. The following attendance record includes the attendance of a maximum of all five occasions.

Name	Meetings Attended	Out of a Possible
G Anderson	0	0
S Ban	5	5
M Brain	3	3
J Butler	0	0
D Camsell	2	5
D Coleman	0	1
M Crabtree	4	5
K Haigh	5	5
S Haigh (Principal)	5	5
G Haley	3	5
A Hewison	4	5
R Hewson	4	5
R Hogarth	5	5
T Hopper (Chair of Governors)	5	5
M Ledger	4	5
G Little	3	5
P Maughan	0	0
V McLeod	5	5
M Phillipson	5	5
G A Potse	5	5
D Stephenson	3	5
R Tolley	0	0
I Turnbull	5	5
A Wilson	5	5

The Finance and General Purposes Committee is a sub-committee of the Governing body.

Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academies finances, staffing and resources, including proper planning, monitoring and probity.

Attendance during the year of the Finance and General Purposes Committee meeting was as follows:

Name	Meetings Attended	Out of a Possible
S Ban	4	6
M Brain	4	6
J Butler (term of office ended 1/9/15)	0	0
M Crabtree	5	6
S Haigh (Principal)	6	6
G Haley	3	6
R Hogarth	5	6
T Hopper	4	6
G Little	2	6
G A Potse (Chair of FGP & Staffing Committee)	6	6
A Wilson	6	6

Governance Statement *(continued)*

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ongoing regular review of the curriculum model to ensure that staff and resources are reviewed and aligned within best value principles to support our teaching and learning aims.
- A staff restructure within the pastoral team has brought increased contact time for students and an efficient staffing model to take us forward into the future
- Value for Money principles were proven with the purchase of a new telephone system summer term 2016. The system will be cost neutral within a three year period based on reduced call tariffs.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Whickham School & Sports Collage (Academy Trust) for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of governing body.

The Risk and Control Framework

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

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

Governance Statement *(continued)*

Review of Effectiveness

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

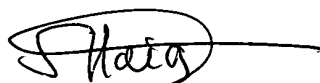
- the work of the external auditor (limited to their statutory year end audit procedures);
- the financial management and governance self-assessment process; and
- the work of the business and finance managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, General Purposes and Staffing Committee and the Governors proactively strive to build on existing good practices to ensure continuous improvements to the systems in place.

Approved by order of the Governing Body on 12 December 2016 and signed on its behalf by:



Ms Sasha Ban
Chair of the Governors



Mr S Haigh
Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Whickham School and Sports College Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Mr S Haigh
Accounting Officer

12 December 2016

Statement of Governors' Responsibilities

The Governors (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the governing body on 12 December 2016 and signed on its behalf by:



Ms Sasha Ban
Chair of the Governors



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent Auditor's Report to the members of Whickham School and Sports College

We have audited the financial statements of Whickham School and Sports College for the year ended 31 August 2016 set out on pages 27 to 51. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2015 to 2016, and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency ('EFA') on terms that have been agreed. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and, in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2015 to 2016 issued by the EFA, those matters that we have agreed to state to them in our 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Directors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 22, the Governors (who act as Directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those auditing standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs at 31 August 2016, 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 UK Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006;
- have been prepared in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA.

Independent Auditor's Report to the members of Whickham School and Sports College (*continued*)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Governors' Annual Report, which constitutes the Strategic Report and the Governors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Mick Thompson, (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside House
Newcastle upon Tyne
NE1 3DX

12 December 2016



KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent Reporting Accountant's Assurance Report on Regularity to Whickham School and Sports College and the Education Funding Agency

In accordance with the terms of our engagement letter dated 28 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Independent Reporting Accountant's Assurance Report on Regularity to Whickham School and Sports College and the Education Funding Agency (continued)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the Head Teacher on behalf of the Governing Body;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2015;
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2015 to 2016.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mick Thompson, (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside House
Newcastle upon Tyne
NE1 3DX

12 December 2016

Statement of Financial Activities
for the year ended 31 August 2016

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2016 £000	Total 2015 £000
Income from:						
Donations and capital grants	3	24	23	-	47	42
Other trading activities	4	132	-	-	132	146
Investment income	5	3	32	-	35	2
<i>Charitable activities:</i>						
Funding for the Academy's educational operations	6	10	7,931	33	7,974	8,355
Total income		169	7,986	33	8,188	8,545
Expenditure on:						
Costs of donations administration	7	(17)	-	-	(17)	(36)
Fundraising trading	7	(104)	-	-	(104)	(101)
<i>Charitable activities:</i>						
Academy's educational operations	8	(4)	(7,932)	(681)	(8,617)	(9,043)
Total expenditure	7	(125)	(7,932)	(681)	(8,738)	(9,180)
Net income/(expenditure) before transfers		44	54	(648)	(550)	(635)
Gross transfers between funds		-	(55)	55	-	-
Net income/(expenditure) for the year		44	(1)	(593)	(550)	(635)
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	15	-	(1,809)	-	(1,809)	92
Net movement in funds		44	(1,810)	(593)	(2,359)	(543)
Reconciliation of funds						
Total funds brought forward at 1 September 2015	15	156	(826)	6,376	5,706	6,249
Total funds carried forward at 31 August 2016	15	200	(2,636)	5,783	3,347	5,706

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

The Statement of Financial Activities incorporates the Income and Expenditure Account and Statement of Total Recognised Gains and Losses.

Balance Sheet
at 31 August 2016

	<i>Note</i>	2016 £000	£000	2015 £000	£000
Fixed assets					
Tangible assets	12		5,783		6,376
Current assets					
Debtors	13	145		165	
Cash at bank and in hand		772		753	
		<u>917</u>		<u>918</u>	
Creditors: amounts falling due within one year	14	(435)		(458)	
Net current assets			482		460
Total assets less current liabilities			6,265		6,836
Defined benefit pension scheme liability	25		(2,918)		(1,130)
Net assets including pension liability			3,347		5,706
Funds of the Academy:					
Restricted funds					
Fixed asset fund	15	5,783		6,376	
General fund	15	282		304	
Pension reserve	15	(2,918)		(1,130)	
Total restricted funds	15		3,147		5,550
Unrestricted income funds					
General fund	15	200		156	
Total unrestricted funds			200		156
Total funds			3,347		5,706

These financial statements on pages 27 to 51 were approved by the Board of Governors, and authorised for issue on 12 December 2016 and are signed on their behalf by:



Ms Sasha Ban
Chair of Governors

Company number: 07729766

Cash Flow Statement
for the year ended 31 August 2016

	<i>Note</i>	2016 £000	2015 £000
Net cash inflow/(outflow) from operating activities	18	71	(156)
Returns on investments and servicing of finance	19	3	2
Capital expenditure and financial investment	20	(55)	(4)
		<hr/>	<hr/>
Increase/(decrease) in cash in the year	21	19	(158)
		<hr/>	<hr/>
Reconciliation of net cash flows to movement in net funds			
Increase/(decrease) in cash in the year		19	(158)
Net funds at beginning of year		753	911
		<hr/>	<hr/>
Net funds at end of year		772	753
		<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

These financial statements are the first financial statements of Whickham Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Whickham Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliation with previous generally accepted accounting practice

In the transition to FRS 102 from old UK GAAP, the Academy has made some measurement and recognition adjustments. Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

Going concern

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

Income

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- *Grants receivable*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- *Sponsorship income*

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt, and it is measurable.

- *Donations*

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

- *Other income*

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

- *Donated services and gifts in kind*

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

Notes (continued)

1 Accounting policies (continued)

Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- *Costs of generating funds*

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- *Charitable activities*

These are costs incurred on the Academy's educational operations.

- *Governance costs*

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in the Statement of Financial Activities using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Statement of Financial Activities (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in Statement of Financial Activities as they accrue, using the effective interest method. Dividend income is recognised in the Statement of Financial Activities on the date the Academy's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Academy's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes (continued)

1 Accounting policies (continued)

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in Statement of Financial Activities except investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

Tangible fixed assets and depreciation

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Leasehold buildings	- 12 to 25 years
Furniture, fixtures and fittings	- 5 years
Motor vehicles	- 5 years
Computer equipment and software	- 5 years

All individual assets with a cost of more than £2,500 are written down in the period they are purchased.

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

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the Statement of Financial Activities is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Academy would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Statement of Financial Activities. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Financial Activities.

Notes (continued)

1 Accounting policies (continued)

Non-financial assets

The carrying amounts of the Academy's non-financial assets, other than investment property, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Financial Activities. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Taxation

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

Provisions

A provision is recognised in the balance sheet when the Academy has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Pension costs

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Notes (continued)

1 Accounting policies (continued)

Pension costs (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

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

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2016.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
Other donations	24	23	47
	<hr/>	<hr/>	<hr/>
	Unrestricted funds £000	Restricted funds £000	Total 2015 £000
Other donations	17	25	42
	<hr/>	<hr/>	<hr/>

Notes (continued)

4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
Sundry income	21	-	21
Shop and commission income	16	-	16
Sports and coaching income	11	-	11
Hire of premises and facilities	72	-	72
Training income	12	-	12
	<u>132</u>	<u>-</u>	<u>132</u>

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000
Sundry income	8	34	42
Shop and commission income	13	-	13
Sports and coaching income	11	7	18
Hire of premises and facilities	62	-	62
Training income	11	-	11
	<u>105</u>	<u>41</u>	<u>146</u>

5 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
FRS 102 pension finance income (note 25)	-	32	32
Short term deposits	3	-	3
	<u>3</u>	<u>32</u>	<u>35</u>

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000
FRS 102 pension finance income (note 25)	-	-	-
Short term deposits	2	-	2
	<u>2</u>	<u>-</u>	<u>2</u>

Notes (continued)

6 Funding for the Academy's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
DfE/YPLA/EFA capital grants			
Devolved capital grants	-	33	33
	<hr/>	<hr/>	<hr/>
DfE/YPLA/EFA revenue grants			
General Annual Grant (GAG) (note 2)	8	7,391	7,399
Other DfE/YPLA/EFA grants	2	464	466
LEA and other grants	-	76	76
	<hr/>	<hr/>	<hr/>
	10	7,931	7,941
	<hr/>	<hr/>	<hr/>
	10	7,964	7,974
	<hr/>	<hr/>	<hr/>
	Unrestricted funds £000	Restricted funds £000	Total 2015 £000
DfE/YPLA/EFA capital grants			
Devolved capital grants	-	33	33
	<hr/>	<hr/>	<hr/>
DfE/YPLA/EFA revenue grants			
General Annual Grant (GAG)	5	7,728	7,733
Other DfE/YPLA/EFA grants	-	516	516
LEA and other grants	-	73	73
	<hr/>	<hr/>	<hr/>
	5	8,317	8,322
	<hr/>	<hr/>	<hr/>
	5	8,350	8,355
	<hr/>	<hr/>	<hr/>

Notes (continued)

7 Expenditure

	Staff costs £000	Depreciation £000	Other costs £000	Total 2016 £000
Costs of donations administration	4	-	13	17
Fundraising trading	85	-	19	104
Academy's educational operations:				
Direct costs (see note 8)	5,622	-	416	6,038
Allocated support costs (see note 8)	901	681	997	2,579
	<u>6,612</u>	<u>681</u>	<u>1,445</u>	<u>8,738</u>

	Staff costs £000	Depreciation £000	Other costs £000	Total 2015 £000
Costs of donations administration	3	-	33	36
Fundraising trading	79	-	22	101
Academy's educational operations:				
Direct costs (see note 8)	5,881	-	479	6,360
Allocated support costs (see note 8)	910	698	1,075	2,683
	<u>6,873</u>	<u>698</u>	<u>1,609</u>	<u>9,180</u>

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

	2016 £000	2015 £000
Operating lease rentals	52	52
Fees payable to auditor - audit	10	9
- other services	5	5
Loss on disposal of fixed assets	-	-
	<u></u>	<u></u>

Notes (continued)

8 Charitable activities – Academy’s educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
Direct costs			
Teaching and educational support staff costs	2	5,620	5,622
Educational supplies	-	24	24
Examination fees	-	204	204
Staff development	-	14	14
Technology costs	-	13	13
Other direct costs	-	161	161
	<hr/> 2	<hr/> 6,036	<hr/> 6,038
Allocated support costs			
Support staff costs	-	901	901
Depreciation	-	681	681
Staff recruitment and student support	-	23	23
Maintenance of premises and equipment	-	89	89
Cleaning	-	167	167
Energy costs	-	194	194
Insurance	-	46	46
Security and transport	2	15	17
Catering	-	40	40
Technology costs	-	129	129
Premises costs	-	66	66
Other support costs	-	202	202
Professional fees	-	-	-
Governance costs	-	24	24
	<hr/> 2	<hr/> 2,577	<hr/> 2,579
	<hr/> 4	<hr/> 8,613	<hr/> 8,617

Notes (continued)

8 Charitable activities – Academy's educational operations (continued)

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000
Direct costs			
Teaching and educational support staff costs	-	5,881	5,881
Educational supplies	-	45	45
Examination fees	-	245	245
Staff development	-	15	15
Technology costs	-	15	15
Other direct costs	-	159	159
	<hr/>	<hr/>	<hr/>
	-	6,360	6,360
	<hr/>	<hr/>	<hr/>
Allocated support costs			
Support staff costs	-	910	910
Depreciation	-	698	698
Staff recruitment and student support	-	12	12
Maintenance of premises and equipment	-	144	144
Cleaning	-	158	158
Energy costs	-	190	190
Insurance	-	91	91
Security and transport	-	13	13
Catering	-	36	36
Technology costs	-	132	132
Premises costs	-	72	72
Other support costs	-	193	193
Professional fees	-	12	12
Governance costs	-	22	22
	<hr/>	<hr/>	<hr/>
	-	2,683	2,683
	<hr/>	<hr/>	<hr/>
	-	9,043	9,043
	<hr/>	<hr/>	<hr/>

9 Staff costs

Staff costs during the year were:

	2016 £000	2015 £000
Wages and salaries	5,244	5,602
Social security costs	445	425
Other pension costs	923	846
	<hr/>	<hr/>
	6,612	6,873
	<hr/>	<hr/>
Supply teacher costs	204	216
Staff restructuring costs	-	-
	<hr/>	<hr/>
	204	216
	<hr/>	<hr/>

Notes (continued)

9 Staff costs (continued)

The average number of employees during the year, expressed as full time equivalents, was as follows:

	2016 Number	2015 Number
Teachers	89	92
Administration and support	49	45
Management	7	8
	<hr/> 145	<hr/> 145
	<hr/> <hr/>	<hr/> <hr/>

Five employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2016 (2015: three). The total emoluments of these employees were in the following range:

	2016 Number	2015 Number
£60,001 - £70,000	3	-
£70,001 - £80,000	1	2
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
	<hr/> 5	<hr/> 3
	<hr/> <hr/>	<hr/> <hr/>

All three of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year-ended 31 August 2016, the pension contributions for these staff amounted to £60,103 (2015: £35,170).

Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2015: £nil). There were no non-statutory/non-contractual payments during the period (2015: none).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £496,548 (2015: £441,776).

Notes (continued)

10 Related party transactions – Governors’ remuneration and expenses

The Head Teacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as governors. Other governors did not receive any payments, from the Academy Trust in respect of their role as governors. The value of staff governors’ remuneration was as follows:

S Haigh (Head Teacher):

Remuneration	£100,001 - £110,000 (2015: £100,001 - £110,000)
Employer’s pension contributions	£15,001 - £20,000 (2015: £10,000 - £15,000)

D Camsell (Staff Governor):

Remuneration	£15,001 - £20,000 (2015: £15,001 - £20,000)
Employer’s pension contributions	£0 - £5,000 (2015: £0 - £5,000)

R Hogarth (Staff Governor):

Remuneration	£20,001 - £25,000 (2015: £20,001 - £25,000)
Employer’s pension contributions	£0 - £5,000 (2015: £0 - £5,000)

M Phillipson (Staff Governor):

Remuneration	£50,001 - £55,000 (2015: £40,001 - £45,000)
Employer’s pension contributions	£5,001 - £10,000 (2015: £5,001 - £10,000)

I Turnbull (Staff Governor):

Remuneration	£45,001 - £50,000 (2015: £45,001 - £50,000)
Employer’s pension contributions	£5,001 - £10,000 (2015: £5,001 - £10,000)

Other related party transactions involving the Governors are set out in note 22.

11 Governors’ and Officers’ insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, limit errors or omissions occurring whilst on Academy business.

This insurance provides unlimited cover (2015: £5,000,000) on any one claim and the cost for the year ended 31 August 2016 was £39,850 (2015: £1,659). The year ended 31 August 2016 figure represents the total cost for the Risk Protection Arrangement (RPA) pooling insurance underwritten by the UK Government. Under this arrangement, the breakdown for the Governors’ and Officers’ insurance element within the policy is not available. However, the Governors consider that the RPA pooling insurance has brought considerable savings to the total annual insurance costs for the school.

Notes (continued)

12 Tangible fixed assets

	Leasehold land and buildings £000	Furniture, fixtures and fittings £000	Motor vehicles £000	Computer Equipment and software £000	Total £000
Cost					
At 1 September 2015	8,669	73	48	439	9,229
Additions	-	17	-	71	88
Disposals	-	-	-	(55)	(55)
At 31 August 2016	8,669	90	48	455	9,262
Depreciation					
At 1 September 2015	2,443	48	44	318	2,853
Charge for year	604	13	4	60	681
Disposals	-	-	-	(55)	(55)
At 31 August 2016	3,047	61	48	323	3,479
Net book value					
At 31 August 2016	5,622	29	-	132	5,783
At 31 August 2015	6,226	25	4	121	6,376

13 Debtors

	2016 £000	2015 £000
Trade debtors	5	8
Other debtors	31	41
Prepayments and accrued income	44	41
VAT receivable	65	75
	145	165

14 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	7	78
Accruals and deferred income	186	123
Other creditors	2	19
Other tax and social security	240	238
	435	458

Notes (continued)

15 Funds

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
Donations	137	23	(20)	-	140
General Annual Grant (GAG)	(149)	7,391	(7,345)	(55)	(158)
LEA and other grants	(76)	76	(20)	-	(20)
Other DfE/YPLA/EFA grants	319	464	(536)	-	247
Other restricted	73	-	-	-	73
Pension reserve (note 25)	(1,130)	32	(11)	(1,809)	(2,918)
	<u>(826)</u>	<u>7,986</u>	<u>(7,932)</u>	<u>(1,864)</u>	<u>(2,636)</u>
Restricted fixed asset funds					
Other DfE/YPLA/EFA capital grants	1,034	33	-	(33)	1,034
Sponsorship fixed assets	5,317	-	(681)	88	4,724
LEA and other grants	25	-	-	-	25
	<u>6,376</u>	<u>33</u>	<u>(681)</u>	<u>55</u>	<u>5,783</u>
Total restricted funds	<u>5,550</u>	<u>8,019</u>	<u>(8,613)</u>	<u>(1,809)</u>	<u>3,147</u>
Unrestricted funds					
Other trading activities	131	132	(104)	-	159
Investment income	7	3	-	-	10
Donations	13	24	(17)	-	20
Academy's educational operations	5	10	(4)	-	11
Total unrestricted funds	<u>156</u>	<u>169</u>	<u>(125)</u>	<u>-</u>	<u>200</u>
Total funds	<u>5,706</u>	<u>8,188</u>	<u>(8,738)</u>	<u>(1,809)</u>	<u>3,347</u>

Notes (continued)

15 Funds (continued)

Notes:

- (i) General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes. Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2016. Note 2 discloses whether the limit was exceeded.
- (ii) Capital grants are awarded by the EFA to fund building improvements.
- (iii) The costs and income associated with the defined benefit pension scheme have been recorded in the restricted non fixed asset fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these costs.

16 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total £000
<i>Fund balances at 31 August 2016 are represented by:</i>				
Tangible fixed assets	-	-	5,783	5,783
Current assets	200	717	-	917
Current liabilities	-	(435)	-	(435)
Defined benefit pension scheme liability	-	(2,918)	-	(2,918)
	<u>200</u>	<u>(2,636)</u>	<u>5,783</u>	<u>3,347</u>

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total £000
<i>Fund balances at 31 August 2015 are represented by:</i>				
Tangible fixed assets	-	-	6,376	6,376
Current assets	156	762	-	918
Current liabilities	-	(458)	-	(458)
Defined benefit pension scheme liability	-	(1,130)	-	(1,130)
	<u>156</u>	<u>(826)</u>	<u>6,376</u>	<u>5,706</u>

Notes (continued)

17 Financial commitments

Operating leases:

At 31 August 2016 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
Other		
Amounts due within one year	51	52
Amounts due between one and five years	11	60
Amounts due after five years	-	-
	<u>62</u>	<u>112</u>

18 Reconciliation of net expenditure to net cash flows from operating activities

	2016 £000	2015 £000
Net expenditure	(550)	(635)
Depreciation (note 12)	681	698
Capital grants from DfE/YPLA/EFA and other capital income	(33)	(33)
Interest receivable (note 5)	(3)	(2)
FRS 102 pension cost less contributions payable	37	(49)
FRS 102 pension finance income	(58)	40
Decrease/(increase) in debtors	20	(62)
Decrease in creditors	(23)	(113)
Loss on disposal of fixed assets	-	-
Net cash provided by/(used in) operating activities	<u>71</u>	<u>(156)</u>

19 Returns on investments and servicing of finance

	2016 £000	2015 £000
Interest received on short term deposits	3	2

20 Capital expenditure and financial investment

	2016 £000	2015 £000
Purchase of tangible fixed assets	(88)	(37)
Capital grants from DfE/YPLA/EFA and other capital income	33	33
Net cash outflow from capital expenditure and financial investment	<u>(55)</u>	<u>(4)</u>

Notes (continued)

21 Analysis of changes in net funds

	At 1 September 2015 £000	Cash flows £000	At 31 August 2016 £000
Cash at bank and in hand	753	19	772

22 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No other related party transactions took place in the period of account.

23 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Academy is required either to reinvest the proceeds or to repay to the relevant Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- a) the value at the time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

24 Members' liability

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

25 Pension and similar obligations

The Academy's employees belong to two principal pension schemes; the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Tyne and Wear Pension Fund. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Notes (continued)

25 Pension and similar obligations (continued)

Contributions amounting to £112,270 (2015: £111,655) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2015 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2015. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191.5 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176.6 billion giving a notional past service deficit of £14.9 billion.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.48% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £629,481 (2015: £582,196).

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

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

Notes (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2016 were £360,000 (2015: £346,000) of which employer's contributions totalled £292,000 (2015: £280,000) and employees' contributions totalled £68,000 (2015: £66,000). The LGPS employer contribution rate is 15.4%, and will remain in place until 31 March 2017. This rate will be revised from 1 April 2017 after the finalisation of the tri-annual LGPS review. The LGPS employee contribution rates are banded based on salary earned. The employee salary bands and corresponding rates are as follows:

Actual Pensionable Pay	Employee contribution rate %
Up to £13,600	5.5
£13,601 to £21,200	5.8
£21,201 to £34,400	6.5
£34,401 to £43,500	6.8
£43,501 to £60,700	8.5
£60,701 to £86,000	9.9
£86,001 to £101,200	10.5
£101,201 to £151,800	11.4
More than £151,801	12.5

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

Principal Actuarial Assumptions:

	2016	2015
Rate of increase in salaries	3.4%	3.6%
Rate of increase for pensions in payment	1.9%	2.1%
Discount rate for scheme liabilities	2.0%	3.8%
Inflation assumption (CPI)	1.9%	2.1%

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

	2016	2015
<i>Retiring today:</i>		
Males	23.2	23.1
Females	24.8	24.7
<i>Retiring in 20 years:</i>		
Males	25.3	25.1
Females	27.1	27.0

Notes (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	2,770	2,163
Government bonds	159	117
Property	418	304
Cash	125	105
Corporate bonds	481	379
Other	226	199
Total market value of assets	4,179	3,267
Present value of scheme liabilities		
- Funded	(7,097)	(4,397)
Deficit in the scheme	(2,918)	(1,130)

The actual return on scheme assets was £624,000 (2015: £95,000).

Amounts recognised in the Statement of Financial Activities:

	2016 £000	2015 £000
Current service cost	234	231
Interest on net liability	37	40
Pension expense	271	271

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities.

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is a £2,170,000 loss (2015: £361,000 loss).

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

	2016 £000	2015 £000
At beginning of year	4,397	4,091
Current service cost	234	231
Interest cost	167	152
Contributions by participants	68	66
Net benefits paid out	(72)	(37)
Actuarial losses/(gains) for liabilities	2,303	(106)
At end of year	7,097	4,397

Notes (continued)

25 Pension and similar obligations (continued)

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

	2016	2015
	£000	£000
At beginning of year	3,267	2,860
Interest income on assets	130	112
Contributions by employer	292	280
Contributions by participants	68	66
Net benefits paid out	(72)	(37)
Actuarial gains/(losses) on assets	494	(14)
	<hr/>	<hr/>
At end of year	4,179	3,267
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31 August 2016 is £269,000.

The five year history of experience adjustments is as follows:

	2016	2015	2014	2013
	£000	£000	£000	£000
Present value of defined benefit obligations	(7,097)	(4,397)	(4,091)	(3,710)
Fair value of share of scheme assets	4,179	3,267	2,860	2,423
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(2,918)	(1,130)	(1,231)	(1,287)
	<hr/>	<hr/>	<hr/>	<hr/>
Experience adjustments on share of scheme asset	494	(14)	62	105
Experience adjustments on scheme liabilities	2,303	(106)	14	(29)

Notes (continued)

26 Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net income/(expenditure)	Notes	31 August 2015 £000
Net expenditure previously reported under previous UK GAAP		(548)
Change in recognition of LGPS interest cost	A	(87)
		<hr/>
Net expenditure reported under FRS 102		(635)
		<hr/>

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income/expense by £87,000 and increase the credit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount. Therefore there is no net impact on fund balances as at 31 August 2015 on transition to FRS 102.