

Company Registration No. 07729766 (England and Wales)

**WHICKHAM SCHOOL AND SPORTS COLLEGE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



# **WHICKHAM SCHOOL AND SPORTS COLLEGE**

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# WHICKHAM SCHOOL AND SPORTS COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

S L Ban  
L Levy (Chair of Members)  
D Murphy  
M Pears

### Governors

S Alexander (staff)  
S L Ban (Chair of the Governors)  
D B Bradford  
M A Brain  
F Charles (Resigned 31 August 2020)  
M Crabtree  
A Day (Staff Governor)  
A G Hewison  
C Hewitson (Appointed 20 November 2019)  
R Hogarth-Willis (staff) (Resigned 29 September 2019)  
R E Jones (Resigned 15 June 2020)  
G I Maitland (Resigned 5 November 2019)  
V McLeod  
A W Oakes  
M L Pears  
R Phillips  
E Ridley  
A Wilson  
S J Haigh (Accounting Officer) (Resigned 31 August 2020)  
J Yeo (Appointed 20 November 2019)  
D Convery (Appointed 6 April 2020)

### Senior management team

|                           |            |
|---------------------------|------------|
| - Headteacher             | S Haigh    |
| - Associate Head Teacher  | F Turnbull |
| - Deputy Head Teacher     | S Maher    |
| - Deputy Head Teacher     | P Wheatley |
| - Assistant Head Teacher  | K Binns    |
| - Assistant Head Teacher  | D Crosland |
| - Assistant Head Teacher  | S Tumelty  |
| - Assistant Head Teacher  | L Wood     |
| - Business Manager        | H Davison  |
| - Chief Financial Officer | D Bailey   |

### Company secretary

Mrs H Davison

### Company registration number

07729766 (England and Wales)

### Registered office

Burnthouse Lane  
Whickham  
Newcastle upon Tyne  
NE16 5AR

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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|                            |   |
|----------------------------|---|
| <b>Independent auditor</b> | Azets Audit Services<br>Wynyard Park House<br>Wynyard Avenue<br>Wynyard<br>Billingham<br>TS22 5TB |
| <b>Bankers</b>             | Lloyds Bank plc<br>5th Floor<br>102 Grey Street<br>Newcastle upon Tyne<br>NE1 6AG                 |
| <b>Solicitors</b>          | Womble Bond Dickinson<br>One Trinity<br>Broad Chare<br>Newcastle upon Tyne<br>NE1 2HF             |

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 19 years with a pupil admission number of 266 . Total on roll 1709 (census October 2020).

### **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 are also the directors of the charitable company for the purposes of company law. The charitable company operates as Whickham School and Sports College (Academy Trust).

Details of the governors who served throughout the year, and to the date these accounts are approved 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

Subject to the provisions of the Companies Act 2006 s236 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.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 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 pupil 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.

#### 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 Headteacher).

#### 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 pupils 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 pupils 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.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 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 academy to experience its atmosphere and understand its ethos.
- To meet the head teacher, staff and pupils.
- To explain the partnership between the head teacher, academy 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 academy and current issues.
- To enable new governors to ask questions about their role and/or the academy.

#### New Governors will:

- Be welcomed to the governing body by the chair.
- Be invited by the head teacher to visit the academy.
- Have the opportunity to tour the academy and meet staff and children.
- Receive an informal briefing on the academy 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 academy:

- The academy prospectus.
- Recent academy newsletters.
- A calendar of academy events.
- The school improvement plan (SIP).
- A full list of staff and the staffing structure.
- Copies of the key policy statements including the academy 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 academy including the email address.

#### Areas the Head Teacher will cover include:

- Background to the academy.
- Current issues facing the academy.
- Visiting the academy.
- 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.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 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 academy to the 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 an appointed business manager who acts as 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 is as follows:

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

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

The governors and the senior leadership team review and challenge the academy staffing structure regularly to ensure it is the best structure to meet the needs of the academy whilst maintaining financial integrity. Senior leaders pay is tightly correlated to strong educational outcomes and sound financial management. The academy benchmark the size of the senior leadership team annually against that of similar schools/academies. There is a robust staff appraisal process, which in turn supports with strong performance management.



# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period

1

Full-time equivalent employee number

0.95

#### *Percentage of time spent on facility time*

Percentage of time

Number of employees

0%

-

1%-50%

1

51%-99%

-

100%

-

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

Total cost of facility time

£301

Total pay bill

£6,926,905

Percentage of the total pay bill spent on facility time

Less than 1%

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

### Related parties and other connected charities and organisations

The academy has no connected organisations.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Objectives and activities**

#### Objects and aims

The strategic vision has been developed from a view of what we would wish for our pupils as they grow and develop through their school career at Whickham School. The aim is to ensure that all staff, pupils, parents and stakeholders are the very best they can be.

The school improvement plan (SIP) details the aims and strategies that the academy is employing to realise our vision. The fundamental aims and objectives are linked to our four keys of academy life. As an academy we have a short, medium and long term approach to school improvement planning.

Our wider strategic aims and objectives are as follows:

#### **Leadership**

- Staff, parents and pupils understand and live the academy values and beliefs.
- Leaders are highly effective in leading the process of school improvement and securing impact.
- The academy is engaged in partnerships that improve the quality of provision at Whickham and other schools in the local area.
- The learning environment effectively supports strong pupil progress.
- The academy is financially stable.

#### **Quality of education**

- The curriculum is aspirational, meets the needs of all pupils and results in strong pupil progress.
- High quality, holistic assessment and feedback that leads to positive progress for all.
- There is no difference in performance between boys and girls by the end of KS4.
- Removal of performance gaps between disadvantaged and other pupils.

#### **Behaviour and attitudes**

- Pupils consistently demonstrate a positive attitude towards their learning.
- Staff and pupils create a positive learning environment rooted in mutual respect.
- Staff and pupils make a positive contribution to the academy and wider community.

#### **Personal development**

- Pupils access and participate in a rich set of experiences and opportunities to develop wider life skills.
- Pupils develop the strength of character to be well rounded citizens and successful learners.

#### Objectives, strategies 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 academy offering a broad and balanced curriculum.

At Whickham School we aim to provide a first-class education to pupils from the ages of 11 to 19 and we seek to provide a structured educational environment that develops our pupils' capabilities, competencies and skills. We promote the academic, moral and physical development of our pupils through the academic curriculum, strong pastoral care systems and diverse sporting and extra curricula opportunities. The academy provides an educational environment where staff and pupils are encouraged to fulfil their full potential with the tools and scaffolding to support a healthy growth mindset. Pupils are provided support to help to build their own self-confidence and a desire to contribute to the wider community. Whickham is an extraordinary academy where everyone is valued for their unique contribution to the life of the academy. We recognise the special gifts, talents and needs of each individual as we strive for excellence, where everyone is encouraged to be the very best they can be. The academy vision and values are as follows:

**Our Academy Vision:** Whickham, an academy to be proud of at the heart of the community. Where learning is cherished in a safe, caring and supportive environment. An academy where everyone is valued and inspired to be the best they can be.

**Our Academy Purpose:** Whickham School; an academy that ensures all pupils are the very best they can be.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Public benefit

The governors of the academy trust have complied with their duty in that the academy teaches the national curriculum and meets the standards set by Ofsted. The governors of the academy trust 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**

Due to the national coronavirus pandemic the DfE cancelled student examinations and school performance measures. Prior to the closure pupils were on track to demonstrate significantly improved performance when compared to 2018/19.

The school's robust self-evaluation and improvement processes show that the quality of provision continues to improve. Significant work was undertaken during the academic year to review and refine our curriculum to ensure that it is ambitious, inclusive and supports all pupils in making strong progress.

### Key performance indicators

#### Ofsted validation

The academy was last visited by Ofsted in February 2018 and the school was rated Good overall, and in each of Ofsted's performance categories:

- Effectiveness of leadership and management
- Quality of teaching, learning and assessment
- Personal development, behaviour and welfare
- Outcomes for pupils
- 16 to 19 study programmes

# **WHICKHAM SCHOOL AND SPORTS COLLEGE**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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Strong teaching, learning and assessment practices ensure pupils access a curriculum that prepares them well for post 16 study and either employment or further study at university or college. The academy benefits from a wide range of subject specialists. Very few teachers teach outside of the subject that they are qualified to degree level in. The academy's popularity remains high, reflected in continued over-subscription each year.

Pupil behaviour is very good with few instances of inappropriate conduct. When behaviour falls below expectations this is dealt with swiftly and fairly. We practice restorative approaches that enable behaviours to be changed. Pupils enjoy school and attendance is well above local and national averages. Punctuality to school and lessons is good.

Pupils engage in a wide range of extra curricular and enrichment activities that help build them into well rounded citizens. In normal times, the number of after school clubs, activities and organised trips is extensive.

A culture exists where equality and diversity is celebrated. The academy has a well established Rainbow Society and supports other schools in developing their own. The academy is at the forefront of work to ensure the quality of mental health care provision, both at Whickham and in other local schools, is of a high quality.

The academy has a culture that puts safeguarding first. Safeguarding processes and procedures are effective and staff understand and apply all related policies.

Academy leaders demonstrate a clear vision and are relentless in their drive to ensure all pupils realise their potential and to be the very best they can be.

Care, Guidance, Support, and Safeguarding: Pupil care, guidance and support continues to be a strength of the academy. Excellent pastoral care is vital in achieving the academy vision and ensure all pupils are happy, safe and successful. All staff have undertaken prevent training. An electronic child protection software system (CPOMS) supports with effective and efficient 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 pupils understand school policies and practices that promote pupil safety and welfare. Overall pupil attendance is strong and above national and local averages.

The academy has high expectations for pupils' behaviour and conduct. This is evident within relevant policies which are applied consistently. All staff share these expectations and consistently apply agreed routines. This has resulted in the development of a school environment where pupil behaviour and conduct is positive and disruption to learning is rare. Where low levels of disruption occur they are dealt with quickly and effectively.

Pupils demonstrate pride and ownership and provide a positive contribution to school life which is endorsed by parent and pupils active engagement in the use of Class Charts. Our citizenship and assembly programmes ensure all pupils understand how to stay healthy and form safe and positive relationships. Their SMSC development ensures they are reflective on issues in today's society and become good citizens.

The academy provides high-quality pastoral support. Pupils know how to eat healthily, maintain and active lifestyle and keep physically and mentally healthy. They have an age-appropriate understanding of healthy relationships. Pastoral support is highly effective in meeting the diverse needs of pupils.

The academy is at the forefront of local work to enhance the quality of pastoral care. Whickham School led the development of the 'Team around the School' pilot programme with Gateshead Council, by writing protocols and assessment tools which identified pupils for early intervention and support. This has been adopted by the Local Authority as a model of excellence to develop good practice within other secondary schools within Gateshead.

Duke of Edinburgh Awards: Whickham School runs the acclaimed Duke of Edinburgh Awards scheme at all three levels. This is open to pupils from Years 10 to Year 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.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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**Academy Visits:** The academy normally participates in a host of international visits each year. However, due to travel restrictions imposed following the outbreak of COVID-19, all planned trips for the spring and summer terms were cancelled. The only overseas trip which took place prior to March was to Cern. In the previous year, pupils visited Belgium, France, Germany, Iceland, Switzerland, Uganda and New York. These visits take place for a range of reasons; sightseeing, course related projects, sports-based activities and pupil leadership projects.

Pupils engage in a wide range of extra-curricular and enrichment activities that helps to build them into well rounded citizens. The number of after school clubs, activities and organised trips is normally extensive. Pupils understand the needs of others and give their time generously both inside and outside of academy life. Each year the sixth form pupils follow a process as part of their induction into sixth form life to nominate and appoint an annual charity. The pupils then develop and follow through with a focused delivery plan, which is led and driven by the year 12 sixth form pupils. Sixth form pupils have raised in excess of £100k over the last decade for a variety of local and national charities, all of whom have been worthy of the support.

**World Challenge:** Every second year we take pupils on a world challenge expedition. The pupils raise funds for the trip over a two-year period to fund their visit. No trip was undertaken this year but the next World Challenge project is currently in the planning stage, and pupils are excited for the next international expedition which will take 36 plus pupils to the Indian Himalayas and Rajasthan in 2021. World Challenge is designed to develop pupil's leadership qualities and independence. The pupils usually trek for a week and complete a community project while on their expedition. Previous visits have been to Tanzania, Namibia, Bolivia, Ladakh / India Mexico, Borneo and Swaziland, Mozambique, South Africa.

**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 academy uniform, the academy reporting system, and any issues or concerns along with solutions to support our educational aims and priorities.

Parents' Forum normally meets once a half term on the second Monday, however this was suspended from March due to COVID-19 restrictions. The forum has an agenda and theme for each meeting and also time for parents to raise any whole academy 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.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 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 pupil academic achievement.

The academy annual budget is sustained by its enrolment and additional sources of revenue. The academy has a well-tested budget process that relies on building a needs-based budget each year. Departmental requests are combined into a consolidated budget by the CFO, CEO and Head teacher who ensure that the budget addresses the academy strategic objectives, and accounts for all reasonably anticipated expenses. The proposed budget is then presented for review to the resources committee. The resources committee have delegated responsibility for the approval process. Once approved the budget plan is then shared with the full governing body.

Financial statements, cashflow, balance sheet and year-to-date budget monitoring reports are produced regularly and are presented to both the Chair of Governors and the resources committee, where significant variances are explained in writing.

The academy 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 financial year 2019/20.

In 2019/20 the academy utilised significant reserves (£346,172) to support specific teaching and learning equipment required for the new building which came into service in January. The closing level of reserves, restricted and unrestricted funds, is considered to be healthy. The academy will aim to build up reserves in order to mitigate risk should there be a delay in grants or unforeseen increase in expenditure.

During the year, academy incurred £30,871 of direct expenditure incurred as a result of COVID measures taken in order to comply with its responsibilities (e.g. provision of Free School Meals) and the school's risk assessment. The academy applied to ESFA for a full refund and all monies were originally showing as due at year-end. However, the academy has subsequently been reimbursed for £6,243, with the remainder of the claim having been declined. £6,243 has been provided as a debtor at the year end.

Other financial key performance indicators which are monitored closely include:

Staff costs: Where possible the academy will keep staffing costs to 80% or below of total income

Pension liability: Whickham School will demonstrate its ability to cover the increase in pension liability for non-teaching staff. The governing body recognise the liability existing in the Tyne & Wear Local Government Pension Scheme (LGPS) for staff, and are satisfied that existing cash flows are sufficient to meet any anticipated increase in costs.

The current local funding formula places Whickham School at a significant disadvantage to similar academies regionally and nationally. The current per pupil funding allocated is significantly lower than any other similar academy 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 academy. We will continue to enhance our reputation through maintaining high academic standards and publicising the many successes achieved in all spheres.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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The academy made an operating surplus of £31,003 (2019: deficit £117,197) in the year excluding the impact of depreciation, capital transactions and LGPS adjustments, and held fund balances at 31 August 2020 of £13,524,459 (2019: £2,231,013) comprising restricted reserves of £13,269,693 (2019: £1,934,887) and unrestricted reserves of £254,766 (2019: £296,126). Excluding the fixed asset and pension reserves, restricted reserves are £20,071 (2019: £292,406)

Total income in the year excluding the value of the new building and associated assets in the period was £8,755,216 (2019: £8,551,794), the vast majority of which came from Education and Skills Funding Agency (ESFA) (or equivalent) grants. As the majority of the grant income is pupil number driven it is imperative that recruitment and retention levels are maintained, or increased over time.

#### Reserves policy

The governors of the academy aim to carry forward a prudent level of reserves which is designed to meet a long-term cyclical need to support capital bid applications and to provide the academy with the security of being able to renew assets, and have a contingency for any unforeseen needs. Reserves are maintained subject to the constraint that the level of reserves does not exceed the level permitted by the ESFA.

Given the current financial climate and the in-year utilisation of reserves, it would be prudent to review the reserves policy and set specific targets and timeline. The Academy held total fund balances at 31 August 2020 of £13,524,459 (2019: £2,231,013). Restricted general and unrestricted reserves are £274,837 (2019: £588,532).

#### 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.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 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.

The impact of COVID-19 on the academy's resources, assets and relationships has been assessed and remains under continuous review to ensure risks are known and managed. Additional operational costs, as a result of COVID-19 measures implemented, represent a risk to the academy's finances, but this is kept under continuous review through established budgetary controls to ensure the academy manages within the budget set.

As the majority of income received by the Academy is pupil 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 academy have managed to set a balanced budget for the forthcoming financial year.

**Risk Management:** The management of risks to the academy 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 resources 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 pupil 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 Form (SEF) and School Improvement Plan (SIP).
- 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, internal assurance reports and the 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 resources committee of the fundamental risks faced by the school and helping to evaluate them.
- Providing timely and sufficient information to governors and the resources committee on the status of risks and controls.
- Assisting the resources committee to draw up and revise the risk register.
- Working to embed risk management and risk-based internal control in all aspects of academy management.



# **WHICKHAM SCHOOL AND SPORTS COLLEGE**

## **GOVERNORS' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Fundraising**

The academy employs a community partnership and funding officer with a discreet brief to secure grant funding and donations to enhance the educational outcomes for the pupils of Whickham School.

For the last two years there has been a focus on raising funds for the procurement of new equipment for the new school building which opened in January 2020.

The academy will continually apply for grant funding for capital funding opportunities, for the replacement and refurbishment of the retained building stock which make up the academy site.

All fundraising undertaken during the year was monitored by the governors . Due to COVID-19 measures, many normal fundraising activities undertaken during the year had to be cancelled.

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

The academy's vision is to join forces with other local schools and become a cross-phase multi-academy trust (MAT). This will help strengthen existing relationships through a formal partnership which ensures that the participating schools can share skills, best practice and make optimal use of resources ensuring best value for money for each school. To facilitate this, the academy undertook a leadership restructure effective 1 September 2020. Steve Haigh has been appointed as CEO-designate for the Trust. Fraser Turnbull has been appointed Head teacher.

The formation of the MAT requires approval from each founding school governing body and then by the Department for Education. Subject to such approvals being given, legal formation of the MAT could be established by the start of autumn term 2021.

The academy will continue to focus on its short-term school improvement plan (SIP) to ensure that all strands of leadership and management, quality of education, behaviour and attitudes and personal development are achieved. Leaders are focused on ensuring all pupils, staff, and stakeholders are the very best they can be. This will be achieved through ensuring that our four keys are at the heart of everything that we do.

One of the priorities for 2020/2021 academic year is to embrace the new learning environments which have been gifted, as part of the new school rebuild, via Priority School Building Programme 2 (PSBP2), which came into operation in January 2020.

The academy will continue to champion and bid via the Condition Improvement Funding (CIF) programme for all available opportunities to either replace, refurbish or enhance the building stock which is remaining.

The new building replaces approximately seventy percent of the academy building stock and is home to our STEAMS subjects 'Science, Technology, Engineering, Arts, Mathematics and Sport'. The stunning four storey building also houses full new sports facilities. The additionality of the new school building, will not only have a positive impact on our existing pupils, but many more generations to come, including our wider community users.

Unfortunately after completion, this still leaves a large footprint of the academy site which will not be upgraded or replaced, therefore the academy will continue to lobby and seek advice to gain support and solutions for the upgrade or replacement of the remaining blocks which remain in use, some of which are in very poor condition.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Partnerships with other schools:** The academy has developed a number of partnerships over the past two years. These are benefiting pupils at Whickham and other local schools and academies. Recent work with other secondary schools has focused upon the sharing of best practice in curriculum planning, teaching and learning and assessment. Leaders have also supported another local secondary school in reviewing their pastoral support structure.

**Curriculum:** The leadership team and governors of the academy continue to review the business and curriculum plans using curriculum lead financial planning to ensure that risks are considered and that we are well prepared and have the flexibility to review and respond to changing needs within the educational landscape.

**Succession Planning:** The academy keeps under regular review its leadership structure. Leaders at all levels are increasingly effective in securing improvements in the quality of provision. As the academy moves from 'good' to 'outstanding' and invests in partnerships with other local schools it is appropriate that the structure and capacity of the leadership structure is reviewed regularly.

**Recruitment to the School Roll:** The academy continues to be popular and based on experience it is expected that we will be oversubscribed at the start of each academic year on our five year forecast. We will continue to be effective in promoting the academy with all parents, thus ensuring that we maintain our status as an oversubscribed academy.

### **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.

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 14 December 2020 and signed on its behalf by:



S L Ban

**Chair of the Governors**

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Scope of responsibility

The governors (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the governors' annual report and the financial statements in accordance with applicable law and regulations, including the Annual Accounts Direction published by the Education and Skills Funding Agency (ESFA).

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 ESFA/Department for Education have been applied for the purposes intended.

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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 governors of any material weaknesses or breakdowns in internal control.

### Governance

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

| Governors  | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| S Alexander (staff)                                      | 3                 | 3               |
| S L Ban (Chair of the Governors)                         | 3                 | 3               |
| D B Bradford   | 2                 | 3               |
| M A Brain  | 2                 | 3               |
| F Charles (Resigned 31 August 2020)                      | 3                 | 3               |
| M Crabtree   | 3                 | 3               |
| A Day (Staff Governor)                                   | 3                 | 3               |
| A G Hewison  | 1                 | 3               |
| C Hewitson (Appointed 20 November 2019)                  | 3                 | 3               |
| R Hogarth-Willis (staff) (Resigned 29 September 2019)    | 3                 | 3               |
| R E Jones (Resigned 15 June 2020)                        | 0                 | 3               |
| G I Maitland (Resigned 5 November 2019)                  | 3                 | 3               |
| V McLeod   | 3                 | 3               |
| A W Oakes  | 1                 | 3               |
| M L Pears  | 1                 | 3               |
| R Phillips   | 3                 | 3               |
| E Ridley   | 3                 | 3               |
| A Wilson   | 2                 | 3               |
| S J Haigh (Accounting Officer) (Resigned 31 August 2020) | 3                 | 3               |
| J Yeo (Appointed 20 November 2019)                       | 3                 | 3               |
| D Convery (Appointed 6 April 2020)                       | 1                 | 1               |

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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There have been no key changes in the composition of the governing body or the coverage of its work. In line with best practice, the academy undertakes an annual review of the effectiveness of the board including governor skills audit (as per NGA guidance). Findings concluded that the Whickham governing body has the recommended depth and breadth of skills required. If any skill set deficits are identified, appropriate recruitment is undertaken.

The resources 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 academy finances, staffing and resources, including premises, health and safety and safeguarding matters, to ensure that proper planning, monitoring and probity are in place. The resources committee have delegated responsibility as an audit committee and report back to the full governing body on all such matters.

**Attendance during the year of the resources committee meeting was as follows:**

| Governors  | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| S L Ban (Chair of the Governors)                         | 6                 | 6               |
| M A Brain  | 5                 | 6               |
| M Crabtree   | 6                 | 6               |
| A Day (Staff Governor)                                   | 4                 | 5               |
| R E Jones (Resigned 15 June 2020)                        | 0                 | 6               |
| M L Pears  | 4                 | 6               |
| R Phillips   | 5                 | 6               |
| S J Haigh (Accounting Officer) (Resigned 31 August 2020) | 6                 | 6               |
| J Yeo (Appointed 20 November 2019)                       | 3                 | 3               |
| D Convery (Appointed 6 April 2020)                       | 2                 | 2               |

### **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 appropriate. 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.
- Ongoing review of staff resources to ensure there is an efficient staffing model to take us forward into the future.
- Consider and evaluate options for 'Invest to Save' opportunities to improve productivity within the workforce
- Consider and evaluate options for 'Invest to Save' opportunities when procuring equipment and capital resources

As a result of schools being forced to close to the majority of pupils in March, the academy applied the Procurement Policy Notice PPN02.20 and 04/20 (supplier relief due to coronavirus) guidance in order to ensure normal contract delivery of school catering services resumed once required. The financial arrangements agreed with the catering supplier were approved by school leadership and chair of governors.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **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 2020 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 2019 to 31 August 2020 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 resources 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

The governing body has considered the need for a specific internal audit function and has decided to not appoint an internal auditor. However, the governors have appointed MHA Tait Walker, an external auditor to perform a cycle of internal assurance checks.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- Payroll
- Financial systems and segregation of duties
- Internal controls, financial monitoring and oversight
- Financial oversight
- HR policies

The internal assurance programme of work was scheduled to be undertaken and reported to governors on a termly basis, with the auditor reporting to the governing body through the resources committee on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. Due to the restrictions imposed as a result of the COVID-19 pandemic, the spring review was delayed. However, the full programme of work was completed and findings shared with governors.

From the detailed work completed on the areas above it can be concluded that the academy trust has good controls in place which are generally well designed and implemented. There were no material control issues arising as a result of the external auditors work review.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 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:

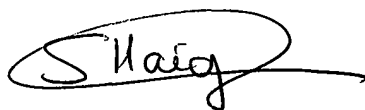
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the resources committee and the governors proactively strive to build on existing good practices to ensure continuous improvements to the accounting system is in place.

Approved by order of the board of governors on 14 December 2020 and signed on its behalf by:



S L Ban  
Chair of the Governors



S J Haigh  
Accounting Officer

# **WHICKHAM SCHOOL AND SPORTS COLLEGE**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020**

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As accounting officer of Whickham School and Sports College, I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of governors 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 2019.

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 ESFA.



S J Haigh  
**Accounting Officer**

14 December 2020

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The governors (who act as trustees for Whickham School and Sports College and are also the directors of Whickham School and Sports College for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law, the governors must not approve the accounts 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 accounts, the governors are required to:

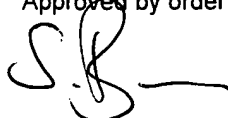
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of governors on 14 December 2020 and signed on its behalf by:



S L Ban

**Chair of the Governors**



# **WHICKHAM SCHOOL AND SPORTS COLLEGE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHICKHAM SCHOOL AND SPORTS COLLEGE**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Opinion**

We have audited the accounts of Whickham School and Sports College for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

We have nothing to report in this regard.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHICKHAM SCHOOL AND SPORTS COLLEGE (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

- the information given in the governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

### **Responsibilities of governors**

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the accounts**

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

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

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHICKHAM SCHOOL AND SPORTS COLLEGE (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Use of our report

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

*Azets Audit Services*

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Statutory Auditor

*22/12/2020*

.....  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
TS22 5TB

# **WHICKHAM SCHOOL AND SPORTS COLLEGE**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WHICKHAM SCHOOL AND SPORTS COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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In accordance with the terms of our engagement letter dated 18 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Whickham School and Sports College during the period 1 September 2019 to 31 August 2020 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 and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Whickham School and Sports College and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Whickham School and Sports College and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Whickham School and Sports College's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Whickham School and Sports College's funding agreement with the Secretary of State for Education dated 4 April 2017 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WHICKHAM SCHOOL AND SPORTS COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of internal assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

### 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Azets Audit Services*

**Reporting Accountant**

Azets Audit Services

Dated: 22/12/2020

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

|   | Notes | Unrestricted funds<br>£ | Restricted funds:<br>General Fixed asset<br>£ £ |            | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---|-------|-------------------------|---|------------|--------------------|--------------------|
| <b>Income and endowments from:</b>                  |       |                         |   |            |                    |                    |
| Donations and capital grants                        | 4     | 33,453                  | 108,608   | 15,336,670 | 15,478,731         | 204,325            |
| <b>Charitable activities:</b>                       |       |                         |   |            |                    |                    |
| - Funding for educational operations                | 5     | 76,737                  | 8,335,833                                       | -          | 8,412,570          | 7,988,268          |
| Other trading activities                            | 6     | 160,395                 | -   | -          | 160,395            | 358,714            |
| Investments   | 7     | 3,611                   | -   | -          | 3,611              | 487                |
| <b>Total</b>  |       | 274,196                 | 8,444,441                                       | 15,336,670 | 24,055,307         | 8,551,794          |
| <b>Expenditure on:</b>                              |       |                         |   |            |                    |                    |
| Raising funds                                       | 8     | 164,439                 | -   | -          | 164,439            | 297,458            |
| <b>Charitable activities:</b>                       |       |                         |   |            |                    |                    |
| - Educational operations                            | 9     | 20,518                  | 8,769,218                                       | 2,160,686  | 10,950,422         | 9,032,801          |
| <b>Total</b>  | 8     | 184,957                 | 8,769,218                                       | 2,160,686  | 11,114,861         | 9,330,259          |
| <b>Net income/(expenditure)</b>                     |       | 89,239                  | (324,777)                                       | 13,175,984 | 12,940,446         | (778,465)          |
| Transfers between funds                             | 17    | (130,599)               | (307,558)                                       | 438,157    | -                  | -                  |
| <b>Other recognised gains/(losses)</b>              |       |                         |   |            |                    |                    |
| Actuarial losses on defined benefit pension schemes | 19    | -                       | (1,647,000)                                     | -          | (1,647,000)        | (987,000)          |
| <b>Net movement in funds</b>                        |       | (41,360)                | (2,279,335)                                     | 13,614,141 | 11,293,446         | (1,765,465)        |
| <b>Reconciliation of funds</b>                      |       |                         |   |            |                    |                    |
| Total funds brought forward                         |       | 296,126                 | (2,032,594)                                     | 3,967,481  | 2,231,013          | 3,996,478          |
| Total funds carried forward                         |       | 254,766                 | (4,311,929)                                     | 17,581,622 | 13,524,459         | 2,231,013          |

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

| Comparative year information                        |       | Unrestricted   | Restricted funds:  |                  | Total            |
|---|-------|----------------|--------------------|------------------|------------------|
| Year ended 31 August 2019                           |       | funds          | General            | Fixed asset      | 2019             |
|   | Notes | £              | £                  | £                | £                |
| <b>Income and endowments from:</b>                  |       |                |                    |                  |                  |
| Donations and capital grants                        | 4     | 6,695          | 63,690             | 133,940          | 204,325          |
| Charitable activities:                              |       |                |                    |                  |                  |
| - Funding for educational operations                | 5     | 97             | 7,988,171          | -                | 7,988,268        |
| Other trading activities                            | 6     | 358,714        | -                  | -                | 358,714          |
| Investments   | 7     | 487            | -                  | -                | 487              |
| <b>Total</b>  |       | <u>365,993</u> | <u>8,051,861</u>   | <u>133,940</u>   | <u>8,551,794</u> |
| <b>Expenditure on:</b>                              |       |                |                    |                  |                  |
| Raising funds                                       | 8     | 297,458        | -                  | -                | 297,458          |
| Charitable activities:                              |       |                |                    |                  |                  |
| - Educational operations                            | 9     | 6,050          | 8,365,483          | 661,268          | 9,032,801        |
| <b>Total</b>  | 8     | <u>303,508</u> | <u>8,365,483</u>   | <u>661,268</u>   | <u>9,330,259</u> |
| <b>Net income/(expenditure)</b>                     |       | 62,485         | (313,622)          | (527,328)        | (778,465)        |
| Transfers between funds                             | 17    | -              | 76,964             | (76,964)         | -                |
| <b>Other recognised gains/(losses)</b>              |       |                |                    |                  |                  |
| Actuarial losses on defined benefit pension schemes | 19    | -              | (987,000)          | -                | (987,000)        |
| <b>Net movement in funds</b>                        |       | 62,485         | (1,223,658)        | (604,292)        | (1,765,465)      |
| <b>Reconciliation of funds</b>                      |       |                |                    |                  |                  |
| Total funds brought forward                         |       | <u>233,641</u> | <u>(808,936)</u>   | <u>4,571,773</u> | <u>3,996,478</u> |
| Total funds carried forward                         |       | <u>296,126</u> | <u>(2,032,594)</u> | <u>3,967,481</u> | <u>2,231,013</u> |

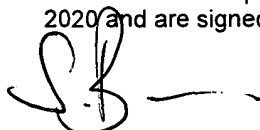
# WHICKHAM SCHOOL AND SPORTS COLLEGE

## BALANCE SHEET

AS AT 31 AUGUST 2020

|  | Notes | 2020      |             | 2019      |             |
|--|-------|-----------|-------------|-----------|-------------|
|  |       | £         | £           | £         | £           |
| <b>Fixed assets</b>                            |       |           |             |           |             |
| Tangible assets                                | 13    |           | 17,581,622  |           | 3,917,305   |
| <b>Current assets</b>                          |       |           |             |           |             |
| Debtors  | 14    | 240,118   |             | 346,138   |             |
| Cash at bank and in hand                       |       | 670,043   |             | 1,078,502 |             |
|  |       | 910,161   |             | 1,424,640 |             |
| <b>Current liabilities</b>                     |       |           |             |           |             |
| Creditors: amounts falling due within one year | 15    | (635,324) |             | (785,932) |             |
| <b>Net current assets</b>                      |       |           | 274,837     |           | 638,708     |
| <b>Net assets excluding pension liability</b>  |       |           | 17,856,459  |           | 4,556,013   |
| Defined benefit pension scheme liability       | 19    |           | (4,332,000) |           | (2,325,000) |
| <b>Total net assets</b>                        |       |           | 13,524,459  |           | 2,231,013   |
| <b>Funds of the academy trust:</b>             |       |           |             |           |             |
| <b>Restricted funds</b>                        | 17    |           |             |           |             |
| - Fixed asset funds                            |       |           | 17,581,622  |           | 3,967,481   |
| - Restricted income funds                      |       |           | 20,071      |           | 292,406     |
| - Pension reserve                              |       |           | (4,332,000) |           | (2,325,000) |
| <b>Total restricted funds</b>                  |       |           | 13,269,693  |           | 1,934,887   |
| <b>Unrestricted income funds</b>               | 17    |           | 254,766     |           | 296,126     |
| <b>Total funds</b>                             |       |           | 13,524,459  |           | 2,231,013   |

The accounts on pages 28 to 51 were approved by the governors and authorised for issue on 14 December 2020 and are signed on their behalf by:



S L Ban  
Chair of the Governors

Company Number 07729766



# WHICKHAM SCHOOL AND SPORTS COLLEGE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

|   | Notes | 2020<br>£ | £         | 2019<br>£ | £         |
|---|-------|-----------|-----------|-----------|-----------|
| <b>Cash flows from operating activities</b>   |       |           |           |           |           |
| Net cash provided by operating activities   | 20    |           | 76,263    |           | 227,476   |
| <b>Cash flows from investing activities</b>   |       |           |           |           |           |
| Dividends, interest and rents from investments                                      |       | 3,611     |           | 487       |           |
| Capital grants from DfE Group   |       | 36,579    |           | 133,940   |           |
| Purchase of tangible fixed assets   |       | (524,912) |           | (6,800)   |           |
| <b>Net cash (used in)/provided by investing activities</b>                          |       |           | (484,722) |           | 127,627   |
| <b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b> |       |           | (408,459) |           | 355,103   |
| Cash and cash equivalents at beginning of the year                                  |       |           | 1,078,502 |           | 723,399   |
| <b>Cash and cash equivalents at end of the year</b>                                 |       |           | 670,043   |           | 1,078,502 |

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

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

#### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### 1.2 Going concern

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

#### 1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### Other income

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

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

### 1.5 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. Where there are specific conditions attached to the funding that require the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

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

|                                |          |
|--------------------------------|----------|
| Land and buildings             | 25 years |
| Computer equipment             | 5 years  |
| Fixtures, fittings & equipment | 5 years  |
| Motor vehicles                 | 5 years  |

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.

The new building and associated assets have been capitalised based on information provided by the ESFA. The disposal has been estimated based on the proportion of the old building demolished after the move to the new building.

#### 1.6 Liabilities

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

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the 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 Department for Education Group.

### 2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that an underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

##### GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. Allowance has been made in the valuation for members whose state pension age is on or after 6 April 2016.

#### 3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2020 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 trust has not exceeded these limits during the year ended 31 August 2020.

#### 4 Donations and capital grants

|                      | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|----------------------|----------------------------|--------------------------|--------------------|--------------------|
| Donated fixed assets | -                          | 15,300,091               | 15,300,091         | -                  |
| Capital grants       | -                          | 36,579                   | 36,579             | 133,940            |
| Other donations      | 33,453                     | 108,608                  | 142,061            | 70,385             |
|                      | <u>33,453</u>              | <u>15,445,278</u>        | <u>15,478,731</u>  | <u>204,325</u>     |

Donated fixed assets represent the cost of new premises and fixtures and fittings transferred to the academy trust in the year by the Department for Education under existing lease terms.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 5 Funding for the academy trust's educational operations

|                                       | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE / ESFA grants</b>              |                            |                          |                    |                    |
| General annual grant (GAG)            | -                          | 7,490,369                | 7,490,369          | 7,425,643          |
| Other DfE group grants                | -                          | 752,938                  | 752,938            | 451,434            |
|                                       | -                          | 8,243,307                | 8,243,307          | 7,877,077          |
| <b>Other government grants</b>        |                            |                          |                    |                    |
| Local authority grants                | -                          | 86,283                   | 86,283             | 111,094            |
| <b>Exceptional government funding</b> |                            |                          |                    |                    |
| Coronavirus exceptional support       | -                          | 6,243                    | 6,243              | -                  |
| <b>Other funding</b>                  |                            |                          |                    |                    |
| Other incoming resources              | 76,737                     | -                        | 76,737             | 97                 |
| <b>Total funding</b>                  | 76,737                     | 8,329,590                | 8,406,327          | 7,988,268          |

Other DfE group grants includes the following:

|                       | 2020<br>£ | 2019<br>£ |
|-----------------------|-----------|-----------|
| Pupil Premium         | 304,869   | 343,991   |
| Free School Meals     | 17,160    | 12,320    |
| Teachers Pay Grant    | 416,653   | 71,434    |
| Year 7 Catch Up Grant | 14,256    | 13,789    |
| Other DfE grants      | -         | 9,900     |
|                       | 752,938   | 451,434   |

The Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "coronavirus exceptional support". The funding received covers additional costs in relation to free school meals. These costs are included in notes 8 and 9 as appropriate.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 6 Other trading activities

|                            | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|----------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities         | 25,230                     | -                        | 25,230             | 45,136             |
| Shop and commission income | 10,837                     | -                        | 10,837             | 19,123             |
| Trip income                | 10,082                     | -                        | 10,082             | 171,693            |
| Other income               | 114,246                    | -                        | 114,246            | 122,762            |
|                            | <u>160,395</u>             | <u>-</u>                 | <u>160,395</u>     | <u>358,714</u>     |

### 7 Investment income

|                     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 3,611                      | -                        | 3,611              | 487                |
|                     | <u>3,611</u>               | <u>-</u>                 | <u>3,611</u>       | <u>487</u>         |

### 8 Expenditure

|                                  | Staff costs<br>£ | Non-pay expenditure<br>Premises<br>£ | Other<br>£     | Total<br>2020<br>£ | Total<br>2019<br>£ |
|----------------------------------|------------------|--------------------------------------|----------------|--------------------|--------------------|
| Expenditure on raising funds     |                  |                                      |                |                    |                    |
| - Direct costs                   | 37,419           | -                                    | 127,020        | 164,439            | 297,458            |
| Academy's educational operations |                  |                                      |                |                    |                    |
| - Direct costs                   | 5,671,658        | -                                    | 458,488        | 6,130,146          | 5,709,110          |
| - Allocated support costs        | 1,648,592        | 2,780,954                            | 390,730        | 4,820,276          | 3,323,691          |
|                                  | <u>7,357,669</u> | <u>2,780,954</u>                     | <u>976,238</u> | <u>11,114,861</u>  | <u>9,330,259</u>   |

### Net income/(expenditure) for the year includes:

|   | 2020<br>£        | 2019<br>£        |
|---|------------------|------------------|
| Fees payable to auditor for:                      |                  |                  |
| - Audit   | 9,150            | 8,750            |
| - Other services                                  | 2,800            | 2,300            |
| Operating lease rentals                           | 21,565           | 31,348           |
| Depreciation of tangible fixed assets             | 1,032,397        | 661,268          |
| Loss on disposal of fixed assets                  | 1,128,289        | -                |
| Net interest on defined benefit pension liability | 42,000           | 25,000           |
|   | <u>2,236,251</u> | <u>1,728,666</u> |



# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Charitable activities

|                        | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Direct costs</b>    |                            |                          |                    |                    |
| Educational operations | 20,518                     | 6,109,628                | 6,130,146          | 5,709,110          |
| <b>Support costs</b>   |                            |                          |                    |                    |
| Educational operations | -                          | 4,820,276                | 4,820,276          | 3,323,691          |
|                        | <u>20,518</u>              | <u>10,929,904</u>        | <u>10,950,422</u>  | <u>9,032,801</u>   |

|   | 2020<br>£        | 2019<br>£        |
|---|------------------|------------------|
| <b>Analysis of support costs</b>                  |                  |                  |
| Support staff costs                               | 1,654,469        | 1,673,255        |
| Depreciation and loss on disposal of fixed assets | 2,160,686        | 661,268          |
| Technology costs                                  | 59,943           | 92,013           |
| Premises costs                                    | 620,268          | 592,897          |
| Legal costs                                       | 6,505            | 984              |
| Other support costs                               | 175,631          | 132,908          |
| Governance costs                                  | 142,774          | 170,366          |
|   | <u>4,820,276</u> | <u>3,323,691</u> |

### 10 Staff

#### Staff costs

Staff costs during the year were:

|   | 2020<br>£        | 2019<br>£        |
|---|------------------|------------------|
| Wages and salaries                      | 5,272,778        | 5,229,266        |
| Social security costs                   | 502,241          | 526,878          |
| Pension costs                           | 1,408,708        | 1,147,205        |
| Staff costs - employees                 | <u>7,183,727</u> | <u>6,903,349</u> |
| Agency staff costs                      | 173,942          | 138,727          |
|   | <u>7,357,669</u> | <u>7,042,076</u> |
| Staff development and other staff costs | 47,154           | 40,951           |
| Total staff expenditure                 | <u>7,404,823</u> | <u>7,083,027</u> |

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Staff

(Continued)

#### Staff numbers

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

|                            | 2020<br>Number | 2019<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 92             | 92             |
| Administration and support | 105            | 160            |
| Management                 | 9              | 10             |
|                            | <u>206</u>     | <u>262</u>     |

#### Higher paid staff

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

|                     | 2020<br>Number | 2019<br>Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000   | 1              | 3              |
| £70,001 - £80,000   | 1              | -              |
| £80,001 - £90,000   | 1              | 1              |
| £110,001 - £120,000 | 1              | 1              |
|                     | <u>4</u>       | <u>5</u>       |

Average headcount is lower than last year due to the cancellation of mock and terminal examinations with the resulting impact on exam invigilation requirements.

#### Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £865,805 (2019: £842,840).

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 11 Governors' remuneration and expenses

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

The value of governors' remuneration and other benefits was as follows:

|                                  |   |
|----------------------------------|---|
| S Haigh (Head Teacher)           |   |
| Remuneration                     | £110,001 - £115,000 (2019: £110,001 - £115,000) |
| Employer's Pension Contributions | £25,001 - £30,000 (2019: £10,001 - £15,000)     |
| F Charles (Trustee)              |   |
| Remuneration                     | £25,001 - £30,000 (2019: not a trustee)         |
| Employer's Pension Contributions | £nil (2019: not a trustee)                      |
| M Crabtree (Trustee)             |   |
| Remuneration                     | £1 - £5,000 (2019: not a trustee)               |
| Employer's Pension Contributions | £1 - £5,000 (2019: not a trustee)               |
| A Day (Trustee)                  |   |
| Remuneration                     | £30,001 - £35,000 (2019: not a trustee)         |
| Employer's Pension Contributions | £5,001 - £10,000 (2019: not a trustee)          |
| A Hewison (Trustee)              |   |
| Remuneration                     | £1 - £5,000 (2019: £nil)                        |
| Employer's Pension Contributions | £nil (2019: £nil)                               |

Other related party transactions involving the trustees are set out in note 24.

#### 12 Insurance for governors and officers

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

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 13 Tangible fixed assets

|                       | Land and<br>buildings | Computer<br>equipment | Fixtures,<br>fittings &<br>equipment | Motor<br>vehicles | Total       |
|-----------------------|-----------------------|-----------------------|--------------------------------------|-------------------|-------------|
|                       | £                     | £                     | £                                    | £                 | £           |
| <b>Cost</b>           |                       |                       |                                      |                   |             |
| At 1 September 2019   | 8,668,745             | 526,588               | 89,651                               | 91,193            | 9,376,177   |
| Additions             | 14,570,464            | 374,623               | 879,916                              | -                 | 15,825,003  |
| Revaluation           | -                     | 63,936                | -                                    | -                 | 63,936      |
| Disposals             | (3,683,557)           | (496,110)             | (33,374)                             | -                 | (4,213,041) |
| At 31 August 2020     | 19,555,652            | 469,037               | 936,193                              | 91,193            | 21,052,075  |
| <b>Depreciation</b>   |                       |                       |                                      |                   |             |
| At 1 September 2019   | 4,870,396             | 436,117               | 83,224                               | 69,135            | 5,458,872   |
| Revaluation           | -                     | 63,936                | -                                    | -                 | 63,936      |
| On disposals          | (2,558,026)           | (496,110)             | (30,616)                             | -                 | (3,084,752) |
| Charge for the year   | 811,791               | 94,139                | 117,912                              | 8,555             | 1,032,397   |
| At 31 August 2020     | 3,124,161             | 98,082                | 170,520                              | 77,690            | 3,470,453   |
| <b>Net book value</b> |                       |                       |                                      |                   |             |
| At 31 August 2020     | 16,431,491            | 370,955               | 765,673                              | 13,503            | 17,581,622  |
| At 31 August 2019     | 3,798,349             | 90,471                | 6,427                                | 22,058            | 3,917,305   |

### 14 Debtors

|                                | 2020<br>£      | 2019<br>£      |
|--------------------------------|----------------|----------------|
| Trade debtors                  | 1,250          | 9,890          |
| VAT recoverable                | 29,411         | 74,470         |
| Other debtors                  | 90,615         | 11,049         |
| Prepayments and accrued income | 118,842        | 250,729        |
|                                | <u>240,118</u> | <u>346,138</u> |

### 15 Creditors: amounts falling due within one year

|                                    | 2020<br>£      | 2019<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 137,403        | 201,800        |
| Other taxation and social security | 131,275        | 129,457        |
| Other creditors                    | 238,773        | 118,036        |
| Accruals and deferred income       | 127,873        | 336,639        |
|                                    | <u>635,324</u> | <u>785,932</u> |

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 16 Deferred income

|  | 2020<br>£     | 2019<br>£     |
|--|---------------|---------------|
| Deferred income is included within:      |               |               |
| Creditors due within one year            | 34,338        | 52,638        |
| Deferred income at 1 September 2019      | 52,638        | 27,344        |
| Released from previous years             | (52,638)      | (27,344)      |
| Resources deferred in the year           | 34,338        | 52,638        |
| <b>Deferred income at 31 August 2020</b> | <b>34,338</b> | <b>52,638</b> |

At 31 August 2020, the Academy was holding trip and rates grant income for the 2020/21 academic year.

### 17 Funds

|                                     | Balance at<br>1 September<br>2019<br>£ | Income<br>£       | Expenditure<br>£    | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2020<br>£ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                   |                     |  |                                      |
| General Annual Grant (GAG)          | 252,851                                | 7,490,369         | (7,527,647)         | (215,573)                              | -                                    |
| Other DfE / ESFA grants             | -                                      | 752,938           | (752,938)           | -                                      | -                                    |
| Other government grants             | -                                      | 92,526            | (92,526)            | -                                      | -                                    |
| Other restricted funds              | 39,555                                 | 108,608           | (36,107)            | (91,985)                               | 20,071                               |
| Pension reserve                     | (2,325,000)                            | -                 | (360,000)           | (1,647,000)                            | (4,332,000)                          |
|                                     | <u>(2,032,594)</u>                     | <u>8,444,441</u>  | <u>(8,769,218)</u>  | <u>(1,954,558)</u>                     | <u>(4,311,929)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                   |                     |  |                                      |
| Inherited on conversion             | 2,903,002                              | -                 | (1,533,610)         | -                                      | 1,369,392                            |
| DfE group capital grants            | 1,033,323                              | 36,579            | (578,520)           | -                                      | 491,382                              |
| Capital expenditure from GAG        | 6,156                                  | -                 | (31,523)            | 240,201                                | 214,834                              |
| LEA and other grants                | 25,000                                 | 15,300,091        | (17,033)            | 197,956                                | 15,506,014                           |
|                                     | <u>3,967,481</u>                       | <u>15,336,670</u> | <u>(2,160,686)</u>  | <u>438,157</u>                         | <u>17,581,622</u>                    |
| <b>Total restricted funds</b>       | <u>1,934,887</u>                       | <u>23,781,111</u> | <u>(10,929,904)</u> | <u>(1,516,401)</u>                     | <u>13,269,693</u>                    |
| <b>Unrestricted funds</b>           |  |                   |                     |  |                                      |
| General funds                       | 296,126                                | 274,196           | (184,957)           | (130,599)                              | 254,766                              |
| <b>Total funds</b>                  | <u>2,231,013</u>                       | <u>24,055,307</u> | <u>(11,114,861)</u> | <u>(1,647,000)</u>                     | <u>13,524,459</u>                    |

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 17 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants includes pupil premium, universal infant free school meals income, teacher's pay grant, year 7 catch up grant and other grants received from DfE.

Other government grants include pupil premium and other grants received from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants includes a devolved capital grant of £36,579.

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

Some capital expenditure has been funded by GAG or other funds. Transfers between these funds are reflected in the gains, losses and transfers column.

The trust has reviewed the analysis of funds to be carried forward as at 31 August 2020, and transfers here have been made to ensure that all funds are correct as at the year end.

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

The academy's restricted general and unrestricted funds were £274,837 at 31 August 2020.

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

|                                     | Balance at<br>1 September<br>2018<br>£ | Income<br>£      | Expenditure<br>£   | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2019<br>£ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                  |                    |  |                                      |
| General Annual Grant (GAG)          | (159,034)                              | 7,425,643        | (7,417,441)        | 403,683                                | 252,851                              |
| Other DfE / ESFA grants             | 83,507                                 | 451,434          | (451,434)          | (83,507)                               | -                                    |
| Other government grants             | (22,744)                               | 111,094          | (111,019)          | 22,669                                 | -                                    |
| Donations                           | 173,229                                | -                | -                  | (173,229)                              | -                                    |
| Other restricted funds              | 85,106                                 | 63,690           | (16,589)           | (92,652)                               | 39,555                               |
| Pension reserve                     | (969,000)                              | -                | (369,000)          | (987,000)                              | (2,325,000)                          |
|                                     | <u>(808,936)</u>                       | <u>8,051,861</u> | <u>(8,365,483)</u> | <u>(910,036)</u>                       | <u>(2,032,594)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                  |                    |  |                                      |
| Transfer on conversion              | 3,512,773                              | -                | (609,771)          | -                                      | 2,903,002                            |
| DfE group capital grants            | 1,034,000                              | 133,940          | (50,853)           | (83,764)                               | 1,033,323                            |
| Capital expenditure from GAG        | -                                      | -                | (644)              | 6,800                                  | 6,156                                |
| LEA and other grants                | 25,000                                 | -                | -                  | -                                      | 25,000                               |
|                                     | <u>4,571,773</u>                       | <u>133,940</u>   | <u>(661,268)</u>   | <u>(76,964)</u>                        | <u>3,967,481</u>                     |
| <b>Total restricted funds</b>       | <u>3,762,837</u>                       | <u>8,185,801</u> | <u>(9,026,751)</u> | <u>(987,000)</u>                       | <u>1,934,887</u>                     |
| <b>Unrestricted funds</b>           |  |                  |                    |  |                                      |
| General funds                       | <u>233,641</u>                         | <u>365,993</u>   | <u>(303,508)</u>   | <u>-</u>                               | <u>296,126</u>                       |
| <b>Total funds</b>                  | <u>3,996,478</u>                       | <u>8,551,794</u> | <u>(9,330,259)</u> | <u>(987,000)</u>                       | <u>2,231,013</u>                     |

### 18 Analysis of net assets between funds

|  | Unrestricted<br>Funds<br>£ | Restricted funds:<br>General<br>£ | Fixed asset<br>£  | Total<br>Funds<br>£ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| <b>Fund balances at 31 August 2020 are represented by:</b> |                            |                                   |                   |                     |
| Tangible fixed assets                                      | -                          | -                                 | 17,581,622        | 17,581,622          |
| Current assets   | 270,290                    | 639,871                           | -                 | 910,161             |
| Creditors falling due within one year                      | (15,524)                   | (619,800)                         | -                 | (635,324)           |
| Defined benefit pension liability                          | -                          | (4,332,000)                       | -                 | (4,332,000)         |
| <b>Total net assets</b>                                    | <u>254,766</u>             | <u>(4,311,929)</u>                | <u>17,581,622</u> | <u>13,524,459</u>   |

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Analysis of net assets between funds

(Continued)

|  | Unrestricted<br>Funds<br>£ | Restricted funds:<br>General<br>£ | Fixed asset<br>£ | Total<br>Funds<br>£ |
|--|----------------------------|-----------------------------------|------------------|---------------------|
| <b>Fund balances at 31 August 2019 are represented by:</b> |                            |                                   |                  |                     |
| Tangible fixed assets                                      | -                          | -                                 | 3,917,305        | 3,917,305           |
| Current assets   | 348,765                    | 1,025,699                         | 50,176           | 1,424,640           |
| Creditors falling due within one year                      | (52,639)                   | (733,293)                         | -                | (785,932)           |
| Defined benefit pension liability                          | -                          | (2,325,000)                       | -                | (2,325,000)         |
| <b>Total net assets</b>                                    | <b>296,126</b>             | <b>(2,032,594)</b>                | <b>3,967,481</b> | <b>2,231,013</b>    |

### 19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £132,581 (2019: £108,037) were payable to the schemes at 31 August 2020 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.



# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £869,173 (2019: £602,417).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and 5.5 - 12.5% for employees.

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

| Total contributions made | 2020<br>£ | 2019<br>£ |
|--------------------------|-----------|-----------|
| Employer's contributions | 225,000   | 199,000   |
| Employees' contributions | 84,000    | 75,000    |
| Total contributions      | 309,000   | 274,000   |

| Principal actuarial assumptions                    | 2020<br>% | 2019<br>% |
|--|-----------|-----------|
| Rate of increase in salaries                       | 3.8       | 3.5       |
| Rate of increase for pensions in payment/inflation | 2.3       | 2.0       |
| Discount rate for scheme liabilities               | 1.7       | 1.9       |
| Inflation assumption (CPI)                         | 2.3       | 2.0       |

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations

(Continued)

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

|                      | 2020<br>Years | 2019<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| - Males              | 21.8          | 21.9          |
| - Females            | 25.0          | 25.1          |
| Retiring in 20 years |               |               |
| - Males              | 23.5          | 23.6          |
| - Females            | 26.8          | 26.9          |

Scheme liabilities would have been affected by changes in assumptions as follows:

|                               | 2020<br>£  | 2019<br>£ |
|-------------------------------|------------|-----------|
| Discount rate + 0.1%          | 10,588,000 | 8,440,000 |
| Discount rate - 0.1%          | 11,141,000 | 8,860,000 |
| Mortality assumption + 1 year | 10,468,000 | 8,362,000 |
| Mortality assumption - 1 year | 11,250,000 | 8,935,000 |
| CPI rate + 0.1%               | 11,087,000 | 8,775,000 |
| CPI rate - 0.1%               | 10,631,000 | 8,521,000 |

#### The academy trust's share of the assets in the scheme

|                              | 2020<br>Fair value<br>£ | 2019<br>Fair value<br>£ |
|------------------------------|-------------------------|-------------------------|
| Equities                     | 3,491,945               | 4,140,910               |
| Government bonds             | 156,648                 | 259,202                 |
| Corporate bonds              | 1,494,683               | 720,708                 |
| Cash                         | 124,013                 | 132,762                 |
| Property                     | 600,484                 | 543,692                 |
| Other assets                 | 659,227                 | 524,726                 |
| Total market value of assets | 6,527,000               | 6,322,000               |

The actual return on scheme assets was £(10,000) (2019: £460,000).

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations

(Continued)

| Amount recognised in the Statement of Financial Activities              | 2020<br>£  | 2019<br>£ |
|---|------------|-----------|
| Current service cost  | 543,000    | 363,000   |
| Past service cost   | -          | 180,000   |
| Interest income   | (122,000)  | (159,000) |
| Interest cost   | 164,000    | 184,000   |
| Total operating charge  | 585,000    | 568,000   |
| Changes in the present value of defined benefit obligations             | 2020<br>£  | 2019<br>£ |
| At 1 September 2019   | 8,647,000  | 6,481,000 |
| Current service cost  | 543,000    | 363,000   |
| Interest cost   | 164,000    | 184,000   |
| Employee contributions  | 84,000     | 75,000    |
| Actuarial loss  | 1,515,000  | 1,288,000 |
| Benefits paid   | (94,000)   | 76,000    |
| Past service cost   | -          | 180,000   |
| At 31 August 2020   | 10,859,000 | 8,647,000 |
| Changes in the fair value of the academy trust's share of scheme assets | 2020<br>£  | 2019<br>£ |
| At 1 September 2019   | 6,322,000  | 5,512,000 |
| Interest income   | 122,000    | 159,000   |
| Actuarial loss/(gain)   | (132,000)  | 301,000   |
| Employer contributions  | 225,000    | 199,000   |
| Employee contributions  | 84,000     | 75,000    |
| Benefits paid   | (94,000)   | 76,000    |
| At 31 August 2020   | 6,527,000  | 6,322,000 |

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

|  | 2020<br>£     | 2019<br>£      |
|--|---------------|----------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 12,940,446    | (778,465)      |
| Adjusted for:  |               |                |
| Capital grants from DfE and other capital income   | (15,336,670)  | (133,940)      |
| Investment income receivable   | (3,611)       | (487)          |
| Defined benefit pension costs less contributions payable   | 318,000       | 344,000        |
| Defined benefit pension scheme finance cost  | 42,000        | 25,000         |
| Depreciation of tangible fixed assets  | 1,032,397     | 661,268        |
| Loss on disposal of fixed assets   | 1,128,289     | -              |
| Decrease/(increase) in debtors   | 106,020       | (220,980)      |
| (Decrease)/increase in creditors   | (150,608)     | 331,080        |
| <b>Net cash provided by operating activities</b>   | <b>76,263</b> | <b>227,476</b> |

### 21 Analysis of changes in net funds

|      | 1 September<br>2019<br>£ | Cash flows<br>£ | 31 August<br>2020<br>£ |
|------|--------------------------|-----------------|------------------------|
| Cash | 1,078,502                | (408,459)       | 670,043                |

### 22 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:

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

# WHICKHAM SCHOOL AND SPORTS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 23 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

|                                   | 2020<br>£     | 2019<br>£     |
|-----------------------------------|---------------|---------------|
| Amounts due within one year       | 10,722        | 15,745        |
| Amounts due in two and five years | 2,681         | 13,403        |
|                                   | <u>13,403</u> | <u>29,148</u> |

### 24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Mr M Crabtree (trustee) works as an invigilator at the academy. His wife Mrs Crabtree is also an employee of the trust. All transactions are compliant with the requirements of the Academies Financial Handbook.

### 25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

### 26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust brought forward £1,589 from previous years, received £31,965 and disbursed £18,117 from the fund. An amount of £15,437 is included in other creditors relating to undistributed funds that is repayable to ESFA.