

Registration number: 07647538

WEST NEWCASTLE ACADEMY

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

West Newcastle Academy

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West Newcastle Academy

Reference and administrative details

Members	Mr J W Carrahar Ms S Keogh Dr B Trafford Ms K Hearnden Mr J G Davies Mrs K M Trafford
Trustees (Directors)	Ms S M Percy (accounting officer) Ms C Doherty (resigned 18 November 2021) Mrs L Grant (resigned 18 November 2021) Miss L Baillie Mr P Koshy Miss R Ahmed Mrs S McDonald Miss E Simpson (resigned 18 November 2021) Mr J W Carrahar Ms S Keogh Mr S G Lymn (resigned 1 December 2021) Mrs C N Ferguson-Ruddy (appointed 18 November 2021 and resigned 1 August 2022) Mr L McClean (appointed 19 October 2021 and resigned 27 September 2022) Ms G Barker (appointed 18 November 2021)
Senior Management Team	Ms S M Percy, Head teacher Ms L Murray, SLT Ms L Baillie, SLT Mr L McClean, SLT Ms R Smith, SLT
Principal and Registered Office	West Newcastle Academy Armstrong Road Newcastle upon Tyne NE4 8QP
Company Name	West Newcastle Academy
Company Registration Number	07647538
Auditors	Azets Audit Services Chartered Accountants Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Unity Trust Nine Brindley Place Birmingham B1 2HB

West Newcastle Academy

Trustees Report for the Year Ended 31 August 2022

Governors/Members

Name	Role	Appointed
Mr J W Carrahar	Governor and member	01/09/2013
Mr G J Davies	Member	18/10/2012
Mrs K Hearnden	Member	01/09/2013
Ms S Keogh	Chair of Governors	01/09/2013
	Member	18/12/2012
Ms S M Percy	Head teacher, Accounting Officer, Governor	01/09/2013
Dr B Trafford	Member	01/09/2013
Mrs K M Trafford	Member	25/05/2017
Mrs S McDonald	Governor	01/09/2019
Mr P Koshy	Parent Governor	25/10/2019
Ms R Ahmed	Parent Governor	25/10/2019
Mr L McClean	Staff Governor	19/10/2021
Ms G Barker	Parent Governor	18/11/2021
Ms C N Ferguson Ruddy	Parent Governor	18/11/2021

The governors (who act as trustees for charitable activities, are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022.

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 Charitable Company is known as West Newcastle Academy or WNA.

Details of the Governors who served throughout the year except as noted are included in the Reference and administrative details on page 1.

Members' Liability

Each member of WNA undertakes to contribute to the assets of the WNA 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

West Newcastle Academy

Trustees Report for the Year Ended 31 August 2022 (continued)

Members' Liability

Each member of WNA undertakes to contribute to the assets of the WNA 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 are covered under the professional indemnity insurance (RPA) held by WNA.

Principal Activities

The principal activity of WNA is running a primary school in West Newcastle, under the title of a free school. The school opened on 2nd September 2013.

Method of Recruitment and Election of Governors

West Newcastle Academy is governed by the Governing Body who are directors of the company constituted under the Articles of the Academy Trust. The members of the trust (see page 2) may appoint staff governors through such process as they determine provided that the total number of staff governors (including the head teacher) does not exceed one third of the total number of governors). A minimum of two parent governors will be elected by parents. The Governors may appoint up to three Co-opted Governors; a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed.

The Secretary of State may appoint such Additional Governors as he or she thinks fit under Article 62, 62A, 62C or 68A. The term of office for any Governor shall be three years. Each school year, the Governing Body will elect a chair and vice-chair. Governors are recruited as per the process set out in the Governor's Information pack. Anyone interested in becoming a Governor can approach the Chair of Governor's for further information. The role of Governor is key in protecting the ethos of the school, setting the strategic direction and ensuring consistent high standards are maintained. As such, Governors must be able to demonstrate the skills, experience and attributes they bring, as well as show a clear understanding of the school's ethos and their willingness to uphold the ethos. All Governors must undertake an enhanced DBS check.

From time to time, WNA may wish to actively recruit Governors with a specific skills set. Vacancies will be advertised on the school website, through Newcastle Governor Services and through the School Governors' One Stop Shop (SGOSS): <https://www.sgoss.org.uk>

Policies and procedures adopted for the induction and training of governors

All new Governors receive an induction pack and are assigned a mentor. They are encouraged to identify and undertake suitable training (specific governor training is provided by Newcastle City Council) and National Governors Association (NGA) All Governors undertake school visits each year.

Organisational Structure

Day-to-day operations of the school are delegated to the head teacher. Strategic matters are reserved for the full Governing Body, with certain responsibilities delegated to the following two sub-committees:

- Finance, People, and Premises committee (incorporating the Audit committee)
- Curriculum, Research and Admissions committee

West Newcastle Academy

Trustees Report for the Year Ended 31 August 2022 (continued)

The head teacher is the Accounting Officer for WNA.

Risk Management

The Governors have assessed the major risks to which the school is exposed, in particular those related to the operations and finances of the academy. Robust financial and accounting procedures have been developed, learning lessons from previous year and WNA works closely with Education and Skills Funding Agency (ESFA) representatives to ensure statutory compliance and good practice. The Governors are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Connected organisations, including related party relationships

The Royal Grammar School were founding supporters of WNA and continue to offer that support in membership, volunteer students and facilities.

Public benefit

The governors have complied with necessary legislation in meeting their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Financial Review

During this reporting period, WNA received funding from the ESFA. As such, a key financial policy was to operate within the budget constraints of this funding, ensuring value for money whilst not sacrificing or compromising on the vision and ethos of WNA, as a small school this can at times be challenging.

Principal risks in the year continue to be balancing the ethos and teaching model within the budget constraints. This can be challenging for single form entry where unexpected events occur which can create pressure on the financial resources.

Funding received from the ESFA/DfE totalled £1,130,000 (2021: £1,077,000). Staff costs totalled £1,080,000 (2021: £1,035,000). A net surplus of £390,000 (2021: net deficit £175,000) was generated during the year.

In the current year the re-measurement of the Local Government Pension Scheme was a net gain of £588,000 (2021: net cost of £35,000). The pension liability at the year-end is £76,000 (2021: £529,000). This movement on the pension liability is attributable to changes in actuarial assumptions and in particular the discount rate. The pension liability does not have an immediate cash flow impact, but may do in the future via increased pension scheme contributions.

The cash position remains strong at £121,000 (2021: £95,000). Total funds have increased to £2,431,000 (2021: decreased to £2,041,000).

Reserves Policy

WNA is expected to set and maintain a balanced budget where costs are met from income in a given year. Accumulated reserves can be utilised subject to the provisions of this policy to:

- Maintain a minimum level of reserves balance in the region of 5% - 10% of total annual income;

West Newcastle Academy

Trustees Report for the Year Ended 31 August 2022 (continued)

- Ensure adequate cash balances are maintained in the current account to cover the next one to two month's expenditure;
- Ensure there is no risk or loss in the capital value of any cash funds invested; and
- Optimise returns on invested funds.

Going Concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the school 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.

Information about West Newcastle Academy

Introduction

WNA is continuing to establish roots in the community and is still seen as a new way of learning for the families in the socially challenged city area of west Newcastle. It aims to provide space and time for children to develop a deeper way of learning, and for parents to be engaged in personal development. Through this, every child has a supportive learning environment at home, and a willingness to learn at school. Children will be encouraged and expected to outperform their peers educationally, socially and artistically and make a positive contribution to their community.

The School's Vision

All children will achieve their full potential, with holistic support, whilst enjoying and driving their own learning, gaining self-respect, self-esteem and self-belief. Our classroom extends to rich, exciting environments within the forest, the beach, the city and the community as a whole.

The Ethos

Respect for the core capabilities of children and the recognition that all children are unique individuals with a wide range of abilities and potentials. Children are valued as strong, sociable and capable individuals, constantly learning and enquiring about the world about them.

WNA is a place where children will be encouraged to be curious, to ask questions and to learn from one another. Children at our school will be encouraged to question their teachers, formulate their own theories and validate possible results.

Dialogue with, and democratic decision making between children, staff, parents and the wider community is central to the running of WNA.

Admissions

The admissions policy gives preference to 50% of each cohort to children in receipt of pupil premium to encourage local families to attend. The number of children and young people living in poverty in central Newcastle is 48% (End Child Poverty Coalition 2020/21). Research indicates that poverty diminishes aspiration and attainment.

West Newcastle Academy

Trustees Report for the Year Ended 31 August 2022 (continued)

Governors

Governors, working with the head teacher, set the strategic direction of the school and monitor whole group to review, audit and set direction. There are founder members who also sit on the governing body.

Significant Awards

WNA last had an Ofsted inspection in July 2019 and achieved good in all areas. It holds the Eco School Green Flag Award, Healthy School Plus, Eco School Award, E Twinning and Learning Outside the Classroom Gold Award (LOTC). WNA is working on Parental Partnerships Award, Rainbow Flag and is a Living Wage Organisation.

Pupil Numbers

There were 196 on roll at census day in October 2021 with similar numbers of arrivals and leavers to the previous year.

	Current	Leavers (since Sept 2021)	Starters (since Sept 21)	Spaces	Boys/ Girls	Pupil Premium	SEND (EHCP)	EAL	Flexi
EYFS	27	1	28	1	18/6	10	3	4/7	2
Y1	26	1	4	2	19/7	10	3	4	0
Y2	30	1	3	0	15/15	9	2	7	0
Y3	30	0	1	0	16/14	13	4(1)	7	1
Y4	26	3	4	4	13/13	10	4	8	0
Y5	31	1	2	0	19/12	11	3	13	3
Y6	26	0	1	2	14/12	11	6(1)	8	1
Total	196 PAN is 196	7	15	9					
Pupil Premium Summary Information 2021/22									
Number of pupils the 2021/22 Pupil Premium funding is based on							80/186		
% of the total cohort that received Pupil Premium funding							43%		
Total deprivation Pupil Premium funding 2020/21							£96,840		

Strategic Planning

Strengths

- Distinct yet rigorous curriculum
- Good teaching and learning
- Support for most vulnerable (behavioural and academic)
- Governance

West Newcastle Academy

Trustees Report for the Year Ended 31 August 2022 (continued)

Areas for Improvement

- Opportunities to write at length
- Reading
- Review of outdoor and community learning
- Play based curriculum (EYFS and Year 1)

A School Development Plan was set with the following areas of improvement:

1. Reading

- 1.1 To be able to read with understanding
- 1.2 To ensure a consistent approach throughout school in order to raise standards
- 1.3 To ensure effective differentiation and rapid progress
- 1.4 To ensure all staff know how to teach reading
- 1.5 To ensure that Accelerated Readers is used to support rapid progress for all groups
- 1.6 To ensure all teachers know about the agreed approach to teaching Guided Reading
- 1.7 To review provision for 'Reading for Pleasure'
- 1.8 To ensure all staff in EYFS and KS1 are 'Read Write Inc' trained and have a good understanding of phonics
- 1.9 To ensure that there is good provision for all pupils with SEND – 'Read Write Inc', Early Bird Readers

2. Writing

- 2.1 To develop agreed long term planning using new IPC (International Primary Curriculum) units to ensure it is progressive, there is good coverage, a range of genres and focus of stamina for writing
- 2.2 To develop medium term planning to reflect the needs of the cohorts at each data point
- 2.3 To use ongoing formative data to inform planning for writing
- 2.4 To ensure that children are given the opportunity to review, edit and improve their work regularly
- 2.5 To ensure that planning over the year, uses data and sequences of learning using the following resources as appropriate:
 - Literacy Shed – writing planning – long term planning
 - Write Stuff
 - Talk for writing

3. Outdoor Learning (EYFS / KS1, Lower KS2)

- 3.1 To engage in meaningful projects through agreed themes in the overview of skills

West Newcastle Academy

Trustees Report for the Year Ended 31 August 2022 (continued)

- 3.2 To learn through cross curricular cross curricular projects
- 3.3 To engage in purposeful learning with an end product (Stunning Start and Fabulous Finish)
- 3.4 To develop 'forest school' skills and ensure there is a full coverage and progression across EYFS, KS1 and lower KS2
- 3.5 To plan for open ended questions which encourage teamwork and discussion
- 3.6 To ensure there is a range of good provision

4. Community Learning (Upper KS2)

- 4.1 To learn in a practical way using a real world context
- 4.2 To engage in meaningful projects through agreed themes
- 4.3 To learn through cross curricular cross curricular projects, developing skills taught in other subject areas
- 4.4 To engage in purposeful learning with an end product (Stunning Start and Fabulous Finish)
- 4.5 To develop creative and critical thinking
- 4.6 To plan for open ended questions which encourage debate
- 4.7 To maximise use of local area/ local opportunities/community links

5. EYFS

- 5.1 Reading -To ensure all staff in EYFS are 'Read Write Inc' trained and have a good understanding of phonics, guided and individual reading
- 5.2 To ensure that there is good provision for all pupils with SEND – 'Read Write Inc', Early Bird Readers
- 5.3 Writing - To develop medium term planning to reflect the needs of the cohort at each data point and use ongoing formative data
- 5.4 To ensure that the long term planning has breadth of provision and sequences of learning
- 5.5 New Curriculum – To ensure this is developed and implemented in planning
- 5.6 Baseline Assessment – To develop a manageable timetable for Baseline Assessment
- 5.7 Outdoor Learning

6. Facilities

- 6.1 To ensure that all facilities teams work together professionally to effectively support the running of the school
- 6.2 Cleaning – daily cleaning with weekly checks, plan for half termly deep clean, ensure management of cleaning products and adherence to COSHH (Control of Substances Hazardous to Health)
- 6.3 Catering – team work, cleaning schedule, food standards in school, daily and weekly checks in place

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Trustees Report for the Year Ended 31 August 2022 (continued)

- 6.4 Gardening/Premises – annualised calendar, plan for jobs in school
- 6.5 Health and safety – all checks in place, service schedule monitored and implemented
- 6.6 Contract and Services – register monitored and contracts reviewed for best value, paperwork up to date

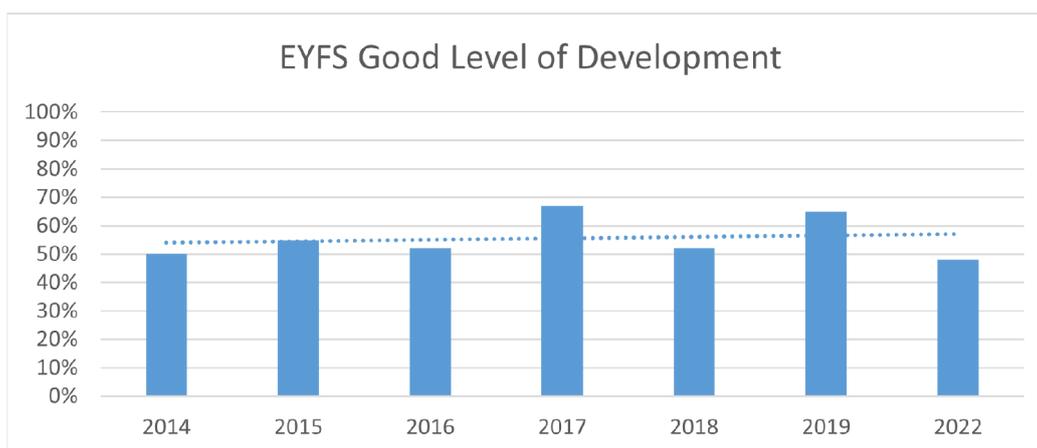
7. Non-Teaching

- 7.1 To ensure effective management of staff and resources to support school improvement
- 7.2 To ensure communication is good, through website, Facebook, and the school management information system
- 7.3 To ensure ICT hardware is maintained
- 7.4 To ensure school attendance is at least at 96%
- 7.5 To ensure school lunch debt does not exceed 10 meals taken
- 7.6 To monitor teaching resources and consumable costs on a departmental basis
- 7.7 To explore and maximise additional income opportunities

Achievement and Performance

In 2021/22 there was formal testing for the first time since the corona virus pandemic. Achievement data at school was low at EYFS and KS1 but better than national at phonics and KS2. Progress was good or better across school.

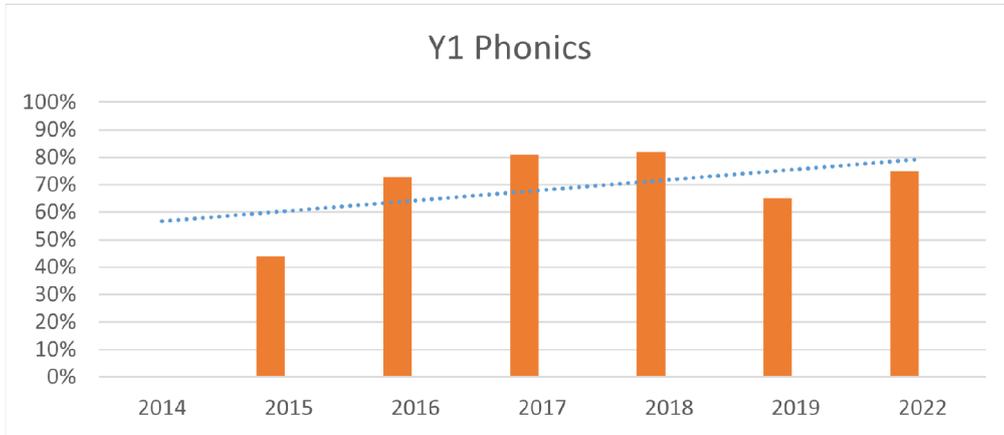
EYFS



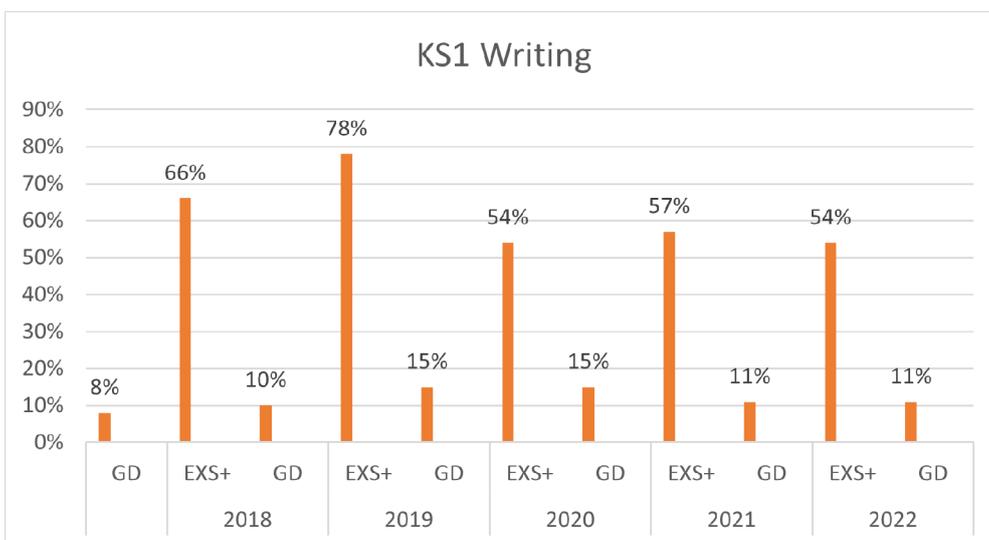
West Newcastle Academy

Trustees Report for the Year Ended 31 August 2022 (continued)

Year 1

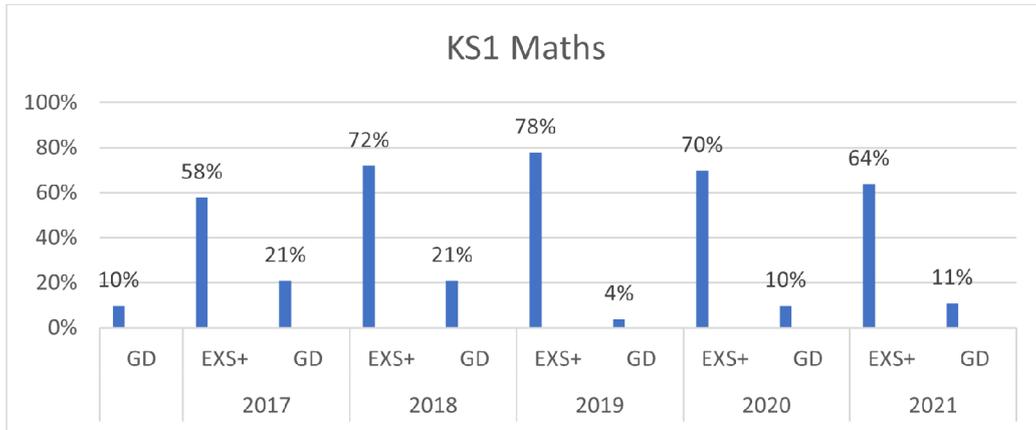


Year 2

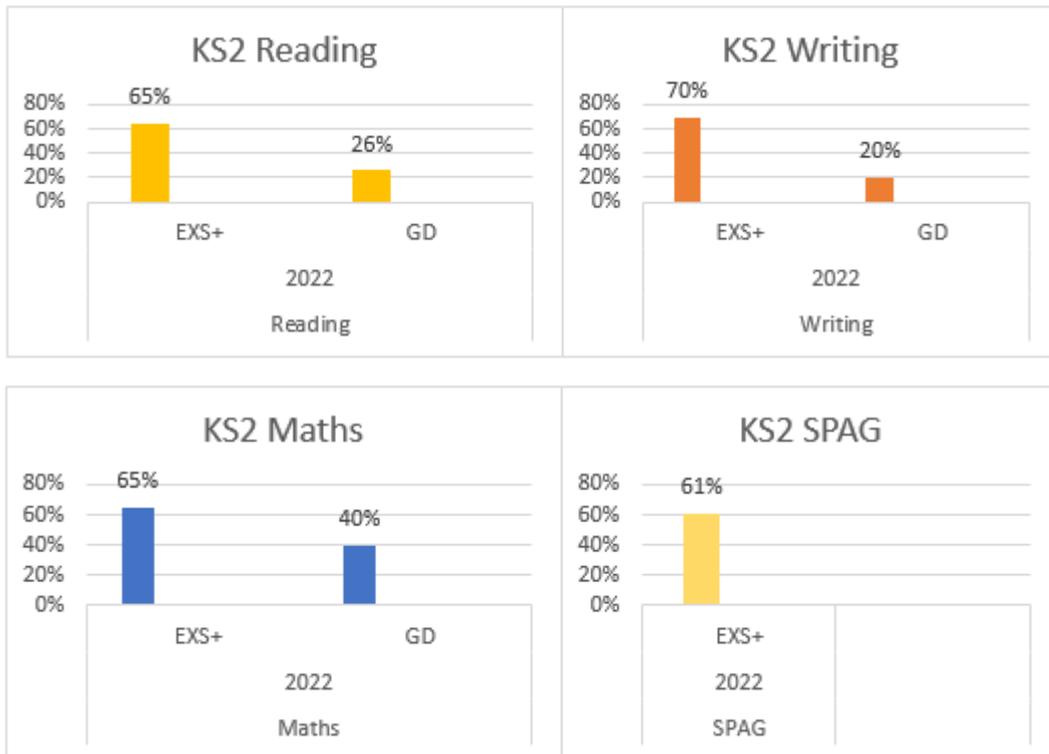


West Newcastle Academy

Trustees Report for the Year Ended 31 August 2022 (continued)



Year 6



Attendance

Attendance has been managed well by the Office and more vulnerable families have been well supported. This clearly remains a focus for 2022/23, especially for the more vulnerable families.

Safety and Security

Keeping the site safe and secure has been an ongoing priority. Dynamic and static lock down processes have been implemented and drills carried out effectively. The Nature Park is still used by WNA and local schools and the grounds are maintained to a high standard.

West Newcastle Academy

Trustees Report for the Year Ended 31 August 2022 (continued)

Viability

Robust financial procedures have been put in place with support from the Finance and Audit Committees.

Strategic Plans for 2022/23

A strategy meeting was held in October 2022:

Strengths

- Distinct yet rigorous curriculum
- Good teaching and learning
- Support for most vulnerable (behavioural and academic)
- Governance

Areas for Improvement

- Opportunities to write at length
- Achievement and rate of progress in EYFS and KS1
- Play based curriculum (EYFS and Year 1)

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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.

Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved and authorised for issue by order of the members of the Governing Body on 13 December 2022 and signed on its behalf by:

S Percy

Susan Percy 15 Dec 2022 09:39:23 GMT (UTC +0)

.....
Ms S M Percy
Trustee

S Keogh

Shelagh Keogh 14 Dec 2022 17:29:58 GMT (UTC +0)

.....
Ms S Keogh
Trustee

West Newcastle Academy

Governance statement

Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the head teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between WNA and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors 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 8 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of possible
Ms R Ahmed	5	5
Mr J Carrahar	4	5
Ms S Keogh	5	5
Mr P Koshy	5	5
Ms S McDonald	5	5
Ms S Percy	5	5
Mr L McClean	5	5
Ms G Barker	4	4
Ms C N Ferguson Ruddy	1	4

The board has continued with its work on focusing on the strategic plans for the school as it continues to grow its cohorts and address the conflicting priorities, educational and financial as this happens, and as the school grows in experience it is a better position to manage these successfully. The board reviews the strategy annually and assesses where it needs to be strengthened to ensure its continuing effectiveness, in particular looking at the composition of the board and policies and its committee effectiveness.

The Finance, People and Premises Committee (which also incorporates the Audit Committee) is a sub-committee of the Board of Governors. Its purpose is to provide oversight of the Academy’s finances and in the period it has overseen the implementation of the systems and internal controls required for in compliance with the Academies Financial Handbook and dealt with property issues. Attendance during the year at meetings of the Finance, People and Premises Committee was as follows:

West Newcastle Academy

Governance statement (continued)

Governor	Meetings attended	Out of possible
Ms R Ahmed	5	5
Mr J Carrahar	4	5
Ms S Keogh	5	5
Mr P Koshy	5	5
Ms S McDonald	5	5
Mr L McClean	5	5
Ms G Barker	4	4
Ms C N Ferguson Ruddy	1	4

Conflicts of interest

Declaration of interests are obtained from Trustees and Governors on an annual basis and published on the Trust website. Declarations are requested at every Trustee or Governor meeting and any mid-year changes updated on the register accordingly. As part of the Staff Code of Conduct, all staff are required to declare any other paid employment outside of the Trust. Declarations are also requested from budget holders to ensure a comprehensive register is kept of all potential related parties. To date, no related party transactions have taken place and none are planned for the future.

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 trustees 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 monitoring expenditure; reviewing staff structure and management accounts; receiving quotes for large purchases and benchmarking against local schools.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 for the year to 31 August 2022 and up to the date of approval of the annual report and financial statements.

West Newcastle Academy

Governance statement (continued)

Capacity to handle risk

The Board of Governors 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 Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2022 and up to the date of approval of the annual report and financial statements. This process has focused on those risks identified in the Risk Register.

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 the year it included:

- Budget control and monitoring of annual budget based on regular management information, reviewed and agreed by the Board of Governors also with regular reviews by the Finance and Property Committee;
- Clearly defined purchasing against in year funding conditions and guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Governors has decided to engage UNW LLP as internal auditors. The internal auditor's role involves performing a range of checks on the academy's financial processes and controls throughout the year, on a termly basis.

The internal auditors have delivered their schedule of work as planned, with no material control issues arising as a result of the work undertaken.

Review of effectiveness

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

- The work of the external auditor
- The work of the internal auditor
- The financial management and governance self-assessment process

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Property Committee and a plan to ensure continuous improvement of the system is in place.

Approved and authorised for issue by order of the members of the Governing Body on 13 December 2022 and signed on its behalf by:



Susan Percy 15 Dec 2022 09:39:23 GMT (UTC +0)

Ms S M Percy
Trustee



Shelagh Keogh 14 Dec 2022 17:29:58 GMT (UTC +0)

Ms S Keogh
Trustee

West Newcastle Academy

Statement of regularity, propriety and compliance

As Accounting Officer of West Newcastle Academy I have considered my responsibility to notify the academy trust Governing Body 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 Academy Trust Handbook 2021.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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 Governing Body and ESFA.

S Percy

.....
Susan Percy 15 Dec 2022 09:39:23 GMT (UTC +0)

Ms S M Percy
Accounting officer

13 December 2022

West Newcastle Academy

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with the Academies Accounts Direction 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 trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved and authorised for issue by order of the members of the Board on 13 December 2022 and signed on its behalf by:



Susan Percy 15 Dec 2022 09:39:23 GMT (UTC +0)

Ms S M Percy
Trustee



Shelagh Keogh 14 Dec 2022 17:29:58 GMT (UTC +0)

Ms S Keogh
Trustee

West Newcastle Academy

Independent Auditor's Report on the Financial Statements to the Members of West Newcastle Academy

Opinion

We have audited the financial statements of West Newcastle Academy (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities for the (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 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 2021 to 2022.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

West Newcastle Academy

Independent Auditor's Report on the Financial Statements to the Members of West Newcastle Academy (continued)

Other information (covers the Reference and administrative details, the Trustees Report and the Governance statement)

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 17], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

West Newcastle Academy

Independent Auditor's Report on the Financial Statements to the Members of West Newcastle Academy (continued)

Auditor Responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries of management about any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with law and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

West Newcastle Academy

Independent Auditor's Report on the Financial Statements to the Members of West Newcastle Academy (continued)

Use of our report

This report is made solely to the Academy's trustees, 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 Academy's trustees 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 Academy and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Brian Laidlaw 15 Dec 2022 11:41:04 GMT (UTC +0)

Brian Laidlaw BA CA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor

Chartered Accountants

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 15 December 2022

Azets Audit Services is a trading name of Azets Audit Services Limited

West Newcastle Academy

Independent Reporting Accountant's Assurance Report on Regularity to West Newcastle Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Newcastle Academy during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 23 May 2013 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 year from 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available internal assurance reports;
- Completion of self assessment questionnaire by the Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting our responsibilities;
- Obtained a formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expense claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

West Newcastle Academy

Independent Reporting Accountant's Assurance Report on Regularity to West Newcastle Academy and the Education and Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review of cash payments for unusual transactions;
- Review of purchasing card transactions;
- Review of register of interests;
- Review of related party transactions;
- Review of borrowing arrangements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review of gifts and hospitality on a sample basis to ensure in line with policy; and
- Consideration of governance issues.

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 year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Azets Audit Services

Brian Laidlaw 15 Dec 2022 11:41:04 GMT (UTC +0)

Azets Audit Services
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 15 December 2022

Azets Audit Services is a trading name of Azets Audit Services Limited

West Newcastle Academy

Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2022 £ 000
Income and endowments from:					
Donations and capital grants	2	1	2	12	15
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	18	1,166	-	1,184
Other trading activities	4	26	-	-	26
Total		45	1,168	12	1,225
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	6	47	1,279	97	1,423
Net expenditure		(2)	(111)	(85)	(198)
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	21	-	588	-	588
Net movement in (deficit)/funds		(2)	477	(85)	390
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2021		52	(504)	2,493	2,041
Total funds/(deficit) carried forward at 31 August 2022		50	(27)	2,408	2,431

West Newcastle Academy

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Donations and capital grants	2	2	4	21	27
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	12	1,103	-	1,115
Other trading activities	4	40	-	-	40
Total		54	1,107	21	1,182
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	6	27	1,197	98	1,322
Net income/(expenditure)		27	(90)	(77)	(140)
Transfers between funds		-	(9)	9	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(35)	-	(35)
Net movement in funds/(deficit)		27	(134)	(68)	(175)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		25	(370)	2,561	2,216
Total funds/(deficit) carried forward at 31 August 2021		52	(504)	2,493	2,041

West Newcastle Academy

(Registration number: 07647538) Balance Sheet

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Tangible assets	10	2,403	2,493
Current assets			
Debtors	11	56	50
Cash at bank and in hand		121	95
		<u>177</u>	<u>145</u>
Creditors: Amounts falling due within one year	12	<u>(73)</u>	<u>(68)</u>
Net current assets		<u>104</u>	<u>77</u>
Total assets less current liabilities		<u>2,507</u>	<u>2,570</u>
Net assets excluding pension liability		2,507	2,570
Pension scheme liability	21	<u>(76)</u>	<u>(529)</u>
Net assets including pension liability		<u>2,431</u>	<u>2,041</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	13	49	25
Restricted fixed asset fund	13	2,408	2,493
Pension reserve	13	<u>(76)</u>	<u>(529)</u>
		2,381	1,989
Unrestricted funds			
Unrestricted income fund	13	<u>50</u>	<u>52</u>
Total funds		<u>2,431</u>	<u>2,041</u>

The financial statements on pages 24 to 47 were approved and authorised for issue by the trustees, on 13 December 2022 and signed on their behalf by:

S Percy

Susan Percy 15 Dec 2022 09:39:23 GMT (UTC +0)

Ms S M Percy
Trustee

S Keogh

Shelagh Keogh 14 Dec 2022 17:29:58 GMT (UTC +0)

Ms S Keogh
Trustee

West Newcastle Academy

Statement of Cash Flows

	Note	2022 £ 000	2021 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	16	27	(36)
Cash flows from investing activities			
	17	<u>(1)</u>	<u>(25)</u>
Change in cash and cash equivalents in the year			
		26	(61)
Cash and cash equivalents at 1 September			
		<u>95</u>	<u>156</u>
Cash and cash equivalents at 31 August			
	18	<u><u>121</u></u>	<u><u>95</u></u>

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022

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.

Basis of preparation

The financial statements 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 2019 (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

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

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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.

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.

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

Donated fixed assets

Where the donated good is a fixed asset, it is 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.

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 allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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.

Tangible fixed assets

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Long-term leasehold property	50 years straight line
Fixtures and fittings	5 years straight line
Computer equipment	4 years straight line

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Leased assets

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

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 as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the period to which they relate.

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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 trustees.

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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.

Local Government Pension Scheme

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2022. 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.

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £97,000 (2021 - £94,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
Educational trips and visits	1	-	-	1	-
Capital grants	-	-	6	6	6
Donations - local authority asset transfer	-	-	-	-	1
Other donations	-	2	-	2	6
Donated fixed assets	-	-	6	6	14
	<u>1</u>	<u>2</u>	<u>12</u>	<u>15</u>	<u>27</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	
Total 2021	<u>2</u>	<u>4</u>	<u>21</u>	<u>27</u>	

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	939	-	939	860
Other ESFA Group grants	-	179	-	179	193
	<u>-</u>	<u>1,118</u>	<u>-</u>	<u>1,118</u>	<u>1,053</u>
Other government grants					
Local authority grants	-	32	-	32	24
	<u>-</u>	<u>32</u>	<u>-</u>	<u>32</u>	<u>24</u>
COVID-19 additional funding (DfE/ESFA)					
Recovery Premium	-	12	-	12	14
Other DfE/ESFA COVID-19 funding	-	-	-	-	10
	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>	<u>24</u>
Non-government grants and other income					
Other income from the academy trusts educational operations	18	4	-	22	14
Total grants	<u>18</u>	<u>1,166</u>	<u>-</u>	<u>1,184</u>	<u>1,115</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	
Total 2021	<u>12</u>	<u>1,103</u>	<u>-</u>	<u>1,115</u>	

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	2022 £ 000	2021 £ 000
Other DfE/ESFA Grants		
Pupil Premium and Service Premium	113	103
Universal Infant Free School Meals (UiFSM)	23	22
PE and Sports Grant	18	18
Other	25	16
Teachers' Pay and Pension Grant	-	34
	<u>179</u>	<u>193</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
Catering income	20	-	-	20	16
Other sales	6	-	-	6	1
Staff recharges	-	-	-	-	23
	<u>26</u>	<u>-</u>	<u>-</u>	<u>26</u>	<u>40</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	
Total 2021	<u>40</u>	<u>-</u>	<u>-</u>	<u>40</u>	

5 Expenditure

	Non Pay Expenditure			2022 Total £ 000	2021 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Academy's educational operations					
Direct costs	733	97	66	896	922
Allocated support costs	347	61	119	527	400
	<u>1,080</u>	<u>158</u>	<u>185</u>	<u>1,423</u>	<u>1,322</u>
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2021 £ 000	
Total 2021	<u>1,035</u>	<u>151</u>	<u>136</u>	<u>1,322</u>	

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

5 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2022 £ 000	2021 £ 000
Operating lease rentals	8	8
Depreciation	97	94
Fees payable to auditor - audit	7	7
Fees payable to auditor - other audit services	1	1
(Gain)/loss on disposal of fixed assets	-	4
	<u> </u>	<u> </u>

6 Charitable activities

	2022 £ 000	2021 £ 000
Direct costs - educational operations	896	922
Support costs - educational operations	527	400
	<u> </u>	<u> </u>
	1,423	1,322
	<u> </u>	<u> </u>

	Educational operations £ 000	Total 2022 £ 000	Total 2021 £ 000
Analysis of support costs			
Support staff costs	347	347	262
Technology costs	17	17	22
Premises costs	61	61	57
Legal costs	1	1	-
Other support costs	89	89	48
Governance costs	12	12	11
	<u> </u>	<u> </u>	<u> </u>
Total support costs	527	527	400
	<u> </u>	<u> </u>	<u> </u>

7 Staff

Staff costs

	2022 £ 000	2021 £ 000
Staff costs during the year were:		
Wages and salaries	723	728
Social security costs	56	58
Operating costs of defined benefit pension schemes	287	245
	<u> </u>	<u> </u>
	1,066	1,031
Supply staff costs	14	4
	<u> </u>	<u> </u>
	1,080	1,035
	<u> </u>	<u> </u>

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

7 Staff (continued)

Staff numbers

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

	2022	2021
	No.	No.
Charitable Activities		
Teachers	10	8
Administration and support	23	22
Management	5	5
	<u>38</u>	<u>35</u>

Higher paid staff

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

	2022	2021
	No.	No.
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £226,787 (2021 - £311,205).

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees 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 role as trustees. The value of trustees' remuneration and other benefits was as follows:

Ms S M Percy (Head Teacher and Governor):

Remuneration: £75,000 - £80,000 (2021 - £70,000 - £75,000)
Employer's pension contributions: £15,000 - £20,000 (2021 - £15,000 - £20,000)

Miss L Baillie (Teacher and Governor):

Remuneration: £0 - £5,000 (2021 - £35,000 - £40,000)
Employer's pension contributions: £0 - £5,000 (2021 - £5,000 - £10,000)

Miss R Ahmed (Governor):

Remuneration: £0 - £5,000 (2021 - £Nil)
Employer's pension contributions: £0 - £5,000 (2021 - £Nil)

Mr L McClean (Teacher and Governor):

Remuneration: £30,000 - £35,000 (2021 - £Nil)
Employer's pension contributions: £5,000 - £10,000 (2021 - £Nil)

During the year ended 31 August 2022, travel and subsistence expenses totalling £1,573 (2021 - £65) were reimbursed or paid directly to 1 trustees (2021 - 2).

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

9 Trustees' and officers' insurance

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 trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

10 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2021	2,635	166	30	204	3,035
Additions	-	1	-	6	7
At 31 August 2022	<u>2,635</u>	<u>167</u>	<u>30</u>	<u>210</u>	<u>3,042</u>
Depreciation					
At 1 September 2021	211	136	30	165	542
Charge for the year	53	26	-	18	97
At 31 August 2022	<u>264</u>	<u>162</u>	<u>30</u>	<u>183</u>	<u>639</u>
Net book value					
At 31 August 2022	<u>2,371</u>	<u>5</u>	<u>-</u>	<u>27</u>	<u>2,403</u>
At 31 August 2021	<u>2,424</u>	<u>30</u>	<u>-</u>	<u>39</u>	<u>2,493</u>

11 Debtors

	2022 £ 000	2021 £ 000
Trade debtors	8	8
VAT recoverable	9	6
Other debtors	2	1
Prepayments	17	16
Accrued grant and other income	20	19
	<u>56</u>	<u>50</u>

12 Creditors: amounts falling due within one year

	2022 £ 000	2021 £ 000
Trade creditors	15	16
Other taxation and social security	10	11
Accruals	16	11
Deferred income	14	13
Pension scheme creditor	18	17
	<u>73</u>	<u>68</u>

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

12 Creditors: amounts falling due within one year (continued)

	2022 £ 000	2021 £ 000
Deferred income		
Deferred income at 1 September 2021	13	-
Resources deferred in the period	14	13
Amounts released from previous periods	<u>(13)</u>	<u>-</u>
Deferred income at 31 August 2022	<u>14</u>	<u>13</u>

Deferred income is held in respect of Universal Infant Free School Meals.

13 Funds

	Balance at 1 September 2021 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2022 £ 000
Restricted general funds					
General Annual Grant (GAG)	18	939	(910)	-	47
Other DfE/ESFA grants	-	179	(179)	-	-
Other government grants	-	32	(32)	-	-
Other grants	7	6	(11)	-	2
COVID-19 grants	<u>-</u>	<u>12</u>	<u>(12)</u>	<u>-</u>	<u>-</u>
	<u>25</u>	<u>1,168</u>	<u>(1,144)</u>	<u>-</u>	<u>49</u>
Restricted fixed asset funds					
DfE/ESFA Capital grants	2,490	12	(96)	-	2,406
Capital grants from LA	1	-	-	-	1
Erasmus	<u>2</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
	2,493	12	(97)	-	2,408
Pension Reserve					
Pension reserve	<u>(529)</u>	<u>-</u>	<u>(135)</u>	<u>588</u>	<u>(76)</u>
Total restricted funds	1,989	1,180	(1,376)	588	2,381
Unrestricted funds					
General funds	<u>52</u>	<u>45</u>	<u>(47)</u>	<u>-</u>	<u>50</u>
Total funds	<u>2,041</u>	<u>1,225</u>	<u>(1,423)</u>	<u>588</u>	<u>2,431</u>

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13 Funds (continued)

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

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	(7)	860	(858)	23	18
Project Development Fund	32	-	-	(32)	-
Other DfE/ESFA grants	-	193	(193)	-	-
Other government grants	-	24	(24)	-	-
Other grants	6	6	(5)	-	7
COVID-19 grants	-	24	(24)	-	-
	<u>31</u>	<u>1,107</u>	<u>(1,104)</u>	<u>(9)</u>	<u>25</u>
Restricted fixed asset funds					
DfE/ESFA Capital grants	2,552	20	(97)	15	2,490
Capital expenditure from GAG	6	-	-	(6)	-
Capital grants from LA	-	1	-	-	1
Erasmus	3	-	(1)	-	2
	<u>2,561</u>	<u>21</u>	<u>(98)</u>	<u>9</u>	<u>2,493</u>
Pension Reserve					
Pension reserve	<u>(401)</u>	<u>-</u>	<u>(93)</u>	<u>(35)</u>	<u>(529)</u>
Total restricted funds	2,191	1,128	(1,295)	(35)	1,989
Unrestricted funds					
General funds	<u>25</u>	<u>54</u>	<u>(27)</u>	<u>-</u>	<u>52</u>
Total funds	<u><u>2,216</u></u>	<u><u>1,182</u></u>	<u><u>(1,322)</u></u>	<u><u>(35)</u></u>	<u><u>2,041</u></u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. 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 the balance sheet date.

Other DfE/ESFA grants include pupil premium, PE and sports grant and other DfE/ESFA grants.

Other government grants comprise funding received from the Local Authority.

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 Local Government Pension Scheme ('LGPS') and the pension liability has therefore been aligned with these funds. The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13 Funds (continued)

The inherited fixed asset fund reflects the fixed assets acquired from the Local Authority on conversion to academy status. Depreciation on these assets is charged against this fund.

DfE/ESFA capital grants received in year consist of capital grants received in the year which have been received for expenditure on acquisition and maintenance of fixed assets.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion.

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

14 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total Funds £ 000
Tangible fixed assets	-	-	2,403	2,403
Current assets	50	122	5	177
Current liabilities	-	(73)	-	(73)
Pension scheme liability	-	(76)	-	(76)
Total net assets	<u>50</u>	<u>(27)</u>	<u>2,408</u>	<u>2,431</u>

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

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total Funds £ 000
Tangible fixed assets	-	-	2,493	2,493
Current assets	52	93	-	145
Current liabilities	-	(68)	-	(68)
Pension scheme liability	-	(529)	-	(529)
Total net assets	<u>52</u>	<u>(504)</u>	<u>2,493</u>	<u>2,041</u>

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022	2021
	£ 000	£ 000
Amounts due within one year	1	8
Amounts due between one and five years	3	4
	<u>4</u>	<u>12</u>

16 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

		2022	2021
		£ 000	£ 000
Net expenditure		(198)	(140)
Depreciation	5	97	94
Capital grants from DfE and other capital income		(6)	(7)
Defined benefit pension scheme cost less contributions payable	21	127	87
Defined benefit pension scheme finance cost	21	8	6
Increase in debtors		(6)	(17)
Increase/(decrease) in creditors		5	(63)
Loss on disposal of tangible fixed assets		-	4
Net cash provided by/(used in) Operating Activities		<u>27</u>	<u>(36)</u>

17 Cash flows from investing activities

		2022	2021
		£ 000	£ 000
Purchase of tangible fixed assets		(7)	(31)
Capital funding received from sponsors and others		6	6
Net cash used in investing activities		<u>(1)</u>	<u>(25)</u>

18 Analysis of cash and cash equivalents

		2022	2021
		£ 000	£ 000
Cash at bank and in hand		121	95
Total cash and cash equivalents		<u>121</u>	<u>95</u>

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

19 Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash	95	26	121
Total	95	26	121

20 Member liability

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

21 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 South Tyneside Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £18,479 (2021 - £16,564) were payable to the schemes at 31 August 2022 and are included within creditors.

Teachers' Pension Scheme

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 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.

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

21 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% administration levy)
- 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. 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 TPS in the period amounted to £98,819 (2021: £104,534).

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

Tyne & Wear Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £81,000 (2021 - £70,000), of which employer's contributions totalled £62,000 (2021 - £54,000) and employees' contributions totalled £19,000 (2021 - £16,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.20	4.10
Rate of increase for pensions in payment/inflation	2.70	2.60
Discount rate for scheme liabilities	4.00	1.70
Inflation assumptions (CPI)	<u>2.70</u>	<u>2.60</u>

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

21 Pension and similar obligations (continued)

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

	2022	2021
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	25.00	25.10
Retiring in 20 years		
Males retiring in 20 years	23.50	23.60
Females retiring in 20 years	<u>26.70</u>	<u>26.90</u>
Sensitivity analysis		
	At 31 August	At 31 August
	2022	2021
	£000	£000
Discount rate +0.1%	717	1,089
Discount rate -0.1%	762	1,158
Mortality assumption – 1 year increase	718	1,081
Mortality assumption – 1 year decrease	760	1,166
CPI rate +0.1%	761	1,157
CPI rate -0.1%	<u>718</u>	<u>1,090</u>

The academy trust's share of the assets in the scheme were:

	2022	2021
	£ 000	£ 000
Equities	356	330
Corporate bonds	123	119
Government bonds	11	11
Property	74	48
Cash and other liquid assets	12	24
Investment funds	29	-
Other	58	61
Total market value of assets	<u>663</u>	<u>593</u>

The actual return on scheme assets was (£10,000) (2021 - £87,000).

Amounts recognised in the statement of financial activities

	2022	2021
	£ 000	£ 000
Current service cost	189	141
Interest income	(11)	(8)
Interest cost	19	14
Total amount recognised in the SOFA	<u>197</u>	<u>147</u>

West Newcastle Academy

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

21 Pension and similar obligations (continued)

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

	2022	2021
	£ 000	£ 000
At start of period	1,123	843
Current service cost	189	141
Interest cost	19	14
Employee contributions	19	16
Actuarial (gain)/loss	(609)	114
Benefits paid	(2)	(5)
	<u>739</u>	<u>1,123</u>
At 31 August	<u>739</u>	<u>1,123</u>

Changes in the fair value of academy trust's share of scheme assets:

	2022	2021
	£ 000	£ 000
At start of period	594	442
Interest income	11	8
Actuarial gain/(loss)	(21)	79
Employer contributions	62	54
Employee contributions	19	16
Benefits paid	(2)	(5)
	<u>663</u>	<u>594</u>
At 31 August	<u>663</u>	<u>594</u>

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

Mr L McClean

Mr L McClean is an employee of the trust and the brother of a trustee. Mr L McClean is employed by the trust as a teacher and is remunerated at an appropriate salary scale point for the responsibilities relating to this role, during the year he was appointed to the role of trustee.

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.

At the balance sheet date the amount due to Mr L McClean was £Nil (2021 - £Nil).