

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

Annual Report and Financial Statements
Company number 07729766
31 August 2017

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Reference and Administrative Details

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

Members:

S L Ban* (Appointed 22 November 2016)
H Cadzow (Resigned 1 December 2016)
I Dormer (Resigned 23 March 2017)
L Levy (Chair of Members from 28 June 2017)
D Murphy (Appointed 5 April 2017)
M Pears (Appointed 23 March 2017)
D Stephenson (Chair of Members to 31 December 2016) (Resigned 31 December 2016)
G Wilson (Appointed 5 April 2017)

Governors and Trustees (Directors):

S L Ban* (Chair of Governors from 22 November 2016)
D B Bradford (Appointed 12 September 2017)
M A Brain* (Appointed 7 March 2017)
D L Camsell (Resigned 27 March 2017)
M S Crabtree* (Resigned 20 January 2017)
K Haigh (Resigned 31 December 2016)
G R Haley* (Resigned 26 June 2017)
A G Hewison (Acting Chair of Governors from 1 September 2016 to 22 November 2016)
R J Hewson
R Hogarth-Willis*
M Ledger
G Little
V McCleod
M Phillips (Appointed 11 May 2017)
M Phillipson
G A Potse*
D L Stephenson (Resigned 31 December 2016)
I J V Turnbull
A Wilson*
S Haigh* (Head Teacher/Accounting Officer)

* Members of the Resources Committee

Head Teacher:

S Haigh

Company secretary:

H Davison

Senior Management team:

Associate Head Teacher	F Turnbull
Deputy Head Teacher	T Conway
Deputy Head Teacher	S Maher (Appointed 1 January 2017)
Deputy Head Teacher	P Wheatley
Assistant Head Teacher	K Binns
Assistant Head Teacher	D Crossland
Assistant Head Teacher	S Tumelty (Appointed 1 September 2017)
Assistant Head Teacher	K Websdale (Resigned 31 August 2017)
Assistant Head Teacher	L Wood (Appointed 1 January 2017)
Business Manager	H Davison

Principal and registered office: Burnthouse Lane, Whickham, Newcastle upon Tyne, NE16 5AR

Company registration number: 07729766 (England and Wales)

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

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

Barclays Bank, Front Street, Whickham, Newcastle upon Tyne, NE16 4DZ

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

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

Governors' Report

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, Governance and Management

Constitution

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

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

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

Members' Liability

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

Governors' Indemnities Companies Act 2006 s236

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

Principal Activities

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

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

Method of Recruitment and Appointment or Election of Governors

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

Governors' Report *(continued)*

Co-opted Governors

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

Appointment of additional Governors

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

Appointment of additional Governors

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

Governors' Report *(continued)*

Policies and Procedures Adopted for the Induction and Training of Governors

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

Purpose

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

New Governors will:

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

New Governors will receive from Governor Support:

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

New Governors will receive from the school:

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

Governors' Report *(continued)*

Areas the Head Teacher will cover include:

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

Areas that the mentor will cover include:

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

Organisational Structure

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

Powers of Governors

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

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

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

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

Delegation of Decision Making to Management

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

Connected Organisations, including Related Party Relationships

The Academy has no connected organisations.

Governors' Report *(continued)*

Objectives and Activities

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

At Whickham School we aim to provide a first class education to students from the ages of 11 to 18 and we seek to provide a structured educational environment that develops our students' capabilities, competencies and skills. We promote the academic, moral and physical development of our students through the academic curriculum, pastoral care, sporting and other activities and we provide an educational environment where each student can develop and fulfil his or her potential, building their self-confidence and desire to contribute to the wider community. The school vision and values were reviewed Summer Term 2017 and are as follows:

Our School Vision:

Whickham, a school to be proud of at the heart of the community. Where learning is cherished in a safe, caring and supportive environment. A school where everyone is valued and inspired to be the best they can be.

Our School Purpose:

Whickham School; a school that ensures all pupils are the very best they can be.

Objectives and Aims

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

Key 1: Everyone is a leader who demonstrates the school values.

This will be achieved through the following strategies:

- Continual focus in line management meetings on the School Improvement Plan (SIP), Faculty Improvement Plan (FIP), Pastoral Improvement Plan (PIP).
- Appraisal objectives focused on SIP, FIP, PIP
- Common leadership appraisal objective for all middle and senior leaders
- Leadership training programme
- Reinforcement of expectations through school communication systems.
- Staff communications with parent/carers when standards are not met
- Parental support scheme

Key 2: Everyone always ensures a culture of learning that engages, excites and inspires.

This will be achieved through the following strategies:

- Consistent staff application of teaching and learning, assessment, behaviour and rewards policies
- Continued Professional Development (CPD) for the understanding and implementation of the learning model
- Coaching and mentoring programmes to support teachers in meeting career stage expectations
- Continued Professional Development (CPD) for support staff
- Appraisal policy to ensure regular monitoring, evaluation and support for all staff
- Pupils trained in use of the learning model
- VESPA strategy
- Whole school rewards system

Governors' Report *(continued)*

Key 3: Everyone always works effectively to achieve beyond expectations.

This will be achieved through the following strategies:

- Successful application of the Learning Cycle
- Application of English and mathematics improvement plans
- Ambitious curriculum offer
- Ambitious target setting
- Year 11 support strategy
- Use of Class Charts
- Termly mechanism to gather parental feedback
- Diverse enrichment programme
- Non teaching improvement plan
- Celebrate staff success

Key 4: Everyone always ensures that all barriers to learning are addressed.

This will be achieved through the following strategies:

- Tutorial and citizenship programme
- Attendance strategy
- Recruitment of school counsellor
- Academic mentoring
- Alternative Education Improvement plan
- Behaviour Inclusion Support
- Student Council project
- Parent support programme
- Consistent application of Pupil Premium strategy
- Pupil passports used by all staff
- Data review used to target specific interventions on pupils in need

Governors' Report *(continued)*

Public Benefit

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

Strategic Report

Achievements and Performance

In 2016/17 the school continued to focus on Actions for Improvements (AFI's) in response to the outcomes from the previous Ofsted inspection that took place January 2016. The Ofsted judgement was that of 'Requires Improvement'. The Actions for Improvements (AFI's) and areas of focus were as follows:

- AFI1: Teaching and learning in all lessons to be consistently good or better.
- AFI2: To engage disadvantaged pupils and their parents/carers to ensure that their achievement and attendance matches that of other pupils.
- AFI3: Pupils, all staff and parents from all our communities model positive behaviours and take pride in the work we do.
- AFI4: To ensure that data informs planning, teaching, learning and outcomes.

The school has made significant progress towards the achievement of the Actions for Improvements (AFI's). Impact is evidenced as follows:

AFI1: Teaching and Learning in all lessons to be consistently good or better

The Aim: All lessons have a clear climate that promotes positive attitudes towards learning and fosters trust and mutual respect. Teachers assess pupil's progress continually and accurately by asking targeted questions (verbal and written) that challenge pupils to think. They are given the opportunity to respond in ways that demonstrate deep learning and understanding. Pupils know what they are doing and why they are doing it. No pupil is left behind nor are any held back in making progress as they are constantly challenged to move their learning on.

The Outcome: Lesson routines are established as part of the learning culture. All staff regularly use questioning to check understanding and many use higher order questioning to ensure appropriate challenge. Staff accurately assess prior learning and move learning to the next level in lessons. A review of the 2016-17 appraisal outcomes reflects that a significant number of staff did not accurately predict KS4 and KS5 outcomes. Whilst some issues relate to the new specifications at KS5 and in English and Mathematics at KS4 it is clear that this is still an area that requires work.

Learning intentions and outcomes are shared in lessons and pupil understanding is good. Whilst feedback in books is stronger and promotes pupil thought and action, lesson observations reflect a need to increase pupil engagement. This continues to be a school priority.

Governors' Report *(continued)*

AF12: To engage disadvantaged pupils and their parents/carers to ensure that their achievement and attendance matches that of other pupils.

The Aim: Disadvantaged pupils and families/carers are engaged in school life; progress, achievement and attendance matches non-disadvantaged pupils.

The Outcome: All staff and Governors are aware of issues faced and barriers to achievement. This has resulted in effective strategies being employed that are impacting positively on progress and resulting in significant narrowing of gaps in attendance, behaviour, progress and attainment in years 7 to years 10. Attendance of both pupil premium and free school meal pupils has significantly improved. A range of strategies have been employed which include; first day response, use of an attendance officer to overcome specific barriers, a breakfast club, rewards, parent coffee mornings and Governor Attendance Panels.

Progress and attainment in years 7 to years 10, has improved and gaps have diminished. It is clear impact is evident at KS3 and year 9 but less so with year 10 and year 11 pupils. Whilst achievement of 4+ in English and Mathematics has improved significantly for disadvantaged the gap in overall Progress 8 Measures remains.

Lesson observation, learning walk, work review and pupil voice all reflect effective gap analysis that is securing improvements in both progress and attainment for disadvantaged pupils.

An external review took place on 11 January 2017. The review identified that strategies implemented are having a significant impact upon supporting many disadvantaged pupils overcome barriers to learning.

Participation of disadvantaged pupils in enrichment activities has increased significantly in the last year. Where there are pupils who are not participating they have been identified and work is ongoing to encourage and engage these pupils with suitable opportunities.

A priority for 2017-18 is to develop further pastoral team impact upon progress for disadvantaged pupils.

AF13: Pupils, all staff and parents from all our communities model positive behaviours and take pride in the work we do.

The Aim: Everyone in the school community will model positive, respectful behaviours at all times. The presentation of pupils, staff and the school site will reflect self-respect and pride. Pupils work will show care and pride.

The Outcome: Work reviews, lesson observations, pupil voice and parental feedback via Parent Forum meetings, reflects and evidences improved standards of work in school and at home. The homework policy has been reviewed. Lesson observations and pupil voice continue to demonstrate that general lesson and registration routines are well established.

Pastoral monitoring reflects routines are adhered to and a positive culture has been established. Behaviour records show that positive rewards have increased significantly and negative behaviour incidents have declined.

Work and pupil achievements are regularly celebrated through celebration assembly, classroom display, The Whickham Way half termly school newsletter, website and the pastoral rewards system.

Parents monitor work and comment on the quality of their child's work. The introduction of the school gateway app has been positively received which allows parents to view attendance and behaviour.

Governors' Report *(continued)*

Af14: To ensure that data informs planning, teaching, learning and outcomes

The Aim: The outcomes for pupils will be good or better for all groups. The most and least able will make progress that is above national average. Teachers will differentiate as appropriate, ensuring planning for grouping, questioning and tasks (lesson and homework) leads to good or better pupil progress. Leaders at all levels will use data to hold teachers to account. Senior and middle leaders will have an accurate and reliable overview of pupil, group and school performance.

The Outcome: Year 7 teachers have been trained on CAT and KS2 data. The data has been used to ensure appropriate stretch and challenge is delivered in Year 7 lessons. Introduction of the new 9-11 grading system at KS4 and life beyond levels at KS3 came into effect Summer 2017. PiXL data is used to provide accurate baseline information for the new English and mathematics courses in Year 11. The SISRA tool is becoming embedded within subject teacher analysis. In order to provide support with training and development for staff, the School Improvement Hour has been utilised for collaborative forward planning and providing support to endorse the understanding of new systems and grading structures.

Senior leader monitoring of practices within Faculties shows that there is significant improvement in the practices of middle leaders in accurately analysing module data and challenging and supporting teachings in accelerating pupil progress.

Quality assurance of assessments and feedback shows that current assessment is accurate however there are two areas for development which are:

- the use of achievement data by the pastoral Head of Year's to support pupils who are underachieving across a range of subject areas is limited.
- Accuracy of Year 13 and Year 11 predictions on new specifications was not accurate in all subjects.

School Strengths

Historically pupil attainment is good at Key Stage 4. Overall pupil progress has improved over the last two years with Progress 8 improving from -0.18 in 2015 to 0.08 in 2016. Unvalidated Progress 8 for 2017 is 0.06.

Pupil attainment and progress in the Sixth Form is very strong. Value added in 2017 is estimated to be 0.33 (unvalidated). The progress of current learners throughout all of the Key Stages is good and improving rapidly. Attainment over time is good and above national and local averages in a range of subject areas, including the core subjects of English, Mathematics and Science.

The Sixth Form is one of the largest in Gateshead. This is due to the strong levels of attainment and progress of pupils over the last five years.

Governors' Report *(continued)*

Care, Guidance, Support, and Safeguarding

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

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

- Student attendance is at a record level of 95.5%. and is above national and local averages.
- Behaviour is good and has improved further after the implementation of a new Behaviour Policy.
- Pupils demonstrate pride and ownership of their positive contribution to school life which is endorsed by parent and pupils active engagement in the use of Class Charts.
- Behaviour for Learning has improved as evidenced through improvement in student achievement and quality of teaching and learning.
- Pastoral care is strong, with effective systems and procedures for safeguarding children.
- The pastoral team are effective in ensuring children are happy, safe and successful during their time in school.
- Monitoring and intervention systems are used rigorously to ensure pupils whose progress falls below expected levels is identified and remedied.

Duke of Edinburgh Awards

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

School Visits

The school participates in a host of international visits each year. In 2016/17 students have visited Belgium, France, Germany, Iceland, Switzerland, Uganda and New York. These visits took place for a range of reasons; sightseeing, course related projects, sports based activities and students leadership projects.

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

Our school continues to have a link with Lango College in Northern Uganda, through the International Inspirations project.

World Challenge

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

Previous visits have been to Tanzania, Namibia, Bolivia, Ladakh / India Mexico and Borneo. The next World Challenge project is currently in the planning stage, and students are excited for the next international expedition which will take them to Swaziland, Mozambique in 2019.

Governors' Report *(continued)*

Parents' Forum

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

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

Going concern

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

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

Key Financial Performance Indicators

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

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

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

In 2016/17 the Academy has utilised reserves to support with school priorities and continues to have a healthy overall level of both restricted and unrestricted funds.

Other KPIs which are monitored closely include:

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

The core staffing costs (excluding supply teacher costs) increased in percentage terms in 2016/17 to 83.5% (2016: 80.8%) of total income, however this was again primarily due to reduced income levels. Factors for the reduced income were predominantly changes at a national and local level in the formula funding for Academies.

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

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

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

Governors' Report *(continued)*

Financial Review

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

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

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

Financial and Risk Management Objectives and Policies

The Academy made an operating deficit of £836,000 (2016: £550,000) in the year, and held fund balances at 31 August 2017 of £4,205,000 (2016: £3,347,000) comprising restricted reserves of £3,978,000 (2016: £3,147,000) and unrestricted reserves of £227,000 (2016: £200,000).

Total income in the period was £8,001,000 (2016: £8,188,000), the vast majority of which came from Education and Skills Funding Agency (ESFA) (or equivalent) grants. As the majority of the grant income is student number driven it is imperative that recruitment and retention levels are maintained, or increased over time.

Excluding the impact of the £669,000 depreciation of fixed assets, the Academy generated an underlying operating deficit of £167,000 (2016: surplus of £131,000).

Reserves Policy

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

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

However it has been acknowledged that it is more likely to be a longer term strategy with a twelve year timeline to achieve this target in view of the demographic dip in the North East Region, acknowledgement of reduced student numbers and the changes to the funding formula for Academies. Given the current financial climate it would be prudent to review this policy and set a more realistic goal and timeline. The Academy held total fund balances at 31 August 2017 of £4,205,000 (2016: £3,347,000).

Investment Policy

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

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

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

Governors' Report *(continued)*

Principal Risks and Uncertainties

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

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

Risk Management

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

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

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

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

The Leadership Team fulfils its Risk Management role by:

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

Governors' Report *(continued)*

Curriculum

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

Succession Planning

The school has invested in a Leadership Development Programme to work with the Leadership Team and Faculty Leaders to self-evaluate practice at individual, team and school level. All leaders participated in a 360 review processes and were supported to reflect on leadership styles and outcomes. Leaders have reviewed and refreshed the school vision, values and future aims together. The investment in the leadership development programme has significantly strengthened leadership overall and a commitment to ensure the school vision and values are met.

Middle leadership development programmes have been refreshed with a Growth Mindset programme and will continue to be a priority and focus of the school to ensure that quality and capacity of leadership at all levels is supported. The school and students will benefit by having highly effective leaders delivering the highest level of quality education for all learners, thus giving capacity to have a workforce both teaching and support staff, who are capable of making the next step in their career development.

Building Plans

The school has secured a place within the Priority School Building Programme 2 capital scheme. Whickham School is one of sixteen schools within the North East Region to be granted what will be a significant proportion of the school building stock to be replaced. It is anticipated that building work will commence Summer 2018 with an anticipated completion timeline of Autumn Term 2019. The contractor has been appointed, however as this is still in the early stages of project mapping, values have not been attached to this programme of work as yet.

This still leaves a large footprint of the school which will not be upgraded or replaced. Therefore the school will be submitting bids through the Condition Improvement Funding (CIF) and Healthy Pupils Capital Fund (HPCF) bidding rounds December 2017 with the aim to secure further capital investment to address some of the poorest condition building stock to be replaced and if successful will result in a resource that will accommodate up to fifteen new teaching and learning spaces.

The HPCF bid is for an extension to the current school kitchen facilities which will include an extension with new kitchen area and extended dining facilities. Outcomes for the bidding rounds will be announced April 2018.

Partnerships with other schools

The school is conscious of the benefits of working in partnership with community organisations and business and especially with other schools (in all phases). We will continue to develop these partnerships. The school have appointed a Community Partnership Funding Officer with the aim to increase grant funding opportunities, and improve community and partnership engagement and volunteering opportunities to support pupil outcomes.

Governors' Report *(continued)*

Financial Stability

It is in the interest of the whole community within which Whickham School serves that financial stability of the school is maintained. The school are in the fortunate position whereby a significant proportion of the school building stock is to be replaced in the near future and a building programme is scheduled to commence summer 2018, with a potential completion date of Autumn 2019. As this project is still in the early stages of project mapping no values have been secured in relation to the Grant value for the project, however it is known that the new building will require new furniture, computers and STEM equipment which will need to be funded from Reserves.

The school continues to be popular and based on experience it is expected that we will be oversubscribed at the start of each academic year on our five year forecast. We will continue to be effective in promoting the school with all parents, particularly those who have children of primary school age, thus ensuring that we maintain our status as an oversubscribed school.

The current local funding formula places Whickham School at a significant disadvantage to similar schools regionally and nationally. The current per pupil funding allocated is significantly lower than any other similar school in England and this presents some significant challenges that can only be met through efficiency savings. Financial stability is crucial in ensuring that we can deliver the objectives we have set and we will continue to work with the Gateshead Schools Forum to address the basic funding needs of the school. We will continue to enhance our reputation through maintaining high academic standards and publicising the many successes achieved in all spheres.

Funds held as Custodian Trustee on behalf of others

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

Auditor

In so far as the Governors are aware:

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

Approved by order of the members of the governing body Board of Governors on 18 December 2017 and signed on its behalf by:



Ms Sasha Ban
Chair of the Governors

Governance Statement

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

Company law requires the governors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Academies Accounts Direction further requires the financial statements to be prepared in accordance with the Charities SORP (FRS 102).

Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the charitable company's incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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

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

Scope of Responsibility

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

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

Governance Statement *(continued)*

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing body met formally on five occasions. The following attendance record includes the attendance of a maximum of all five occasions.

Name	Meetings Attended	Out of a Possible
S Ban (Chair of Governors)	5	5
M Brain (Appointed 07.03.2017)	3	3
D Camsell (Resigned 27.03.2017)	3	3
M Crabtree (Resigned 20.01.2017)	1	1
K Haigh (Resigned 31.12.2016)	1	1
S Haigh (Principal)	5	5
G Haley (Resigned 26.06.2017)	2	5
A Hewison	5	5
R Hewson	5	5
R Hogarth-Willis	2	5
M Ledger	3	5
G Little	1	5
V McLeod	5	5
M Phillips (Appointed 11.05.2017)	2	2
M Phillipson	4	5
G A Potse	5	5
D Stephenson (Resigned 31.12.2016)	0	1
I Turnbull	4	5
A Wilson	5	5

The Resources Committee is a sub-committee of the Governing body.

The committee was previously known as the Finance, General Purposes and Staffing Committee, however the Committee was reconfigured to include areas that include premises, health and safety and safeguarding matters. The Resources Committee purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academies finances, staffing and resources, including premises, health and safety and safeguarding matters, to ensure that proper planning, monitoring and probity are in place.

Attendance during the year of the Resources Committee meeting was as follows:

Name	Meetings Attended	Out of a Possible
S Ban	3	4
M Brain (Appointed 07.03.2017)	1	1
M Crabtree (Resigned 20.01.2017)	1	2
S Haigh (Principal)	4	4
G Haley (Resigned 26.06.2017)	0	3
R Hogarth-Willis	2	3
G Little	0	4
G A Potse (Chair of Resources Committee)	4	4
A Wilson	4	4

Governance Statement *(continued)*

Review of Value for Money

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

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

- Ongoing regular review of the curriculum model to ensure that staff and resources are reviewed and aligned within best value principles to support our teaching and learning aims.
- Ongoing review of staff resources to ensure there is an efficient staffing model to take us forward into the future.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Whickham School & Sports Collage (Academy Trust) for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of governing body.

The Risk and Control Framework

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

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

Governance Statement *(continued)*

Review of Effectiveness

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

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

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

Approved by order of the Governing Body on 18 December 2017 and signed on its behalf by:



Ms Sasha Ban
Chair of the Governors



Mr S Haigh
Accounting Officer

Statement on Regularity, Propriety and Compliance

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

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

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



Mr S Haigh
Accounting Officer

18 December 2017

Statement of Governors' Responsibilities in respect of the Governors' Annual Report and the Financial Statements

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

Company law requires the governors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Academies Accounts Direction further requires the financial statements to be prepared in accordance with the Charities SORP (FRS 102).

Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the charitable company's incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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

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

Approved by order of the members of the governing body on 18 December 2017 and signed on its behalf by:



Ms Sasha Ban
Chair of the Governors



KPMG LLP

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

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

Opinion

We have audited the financial statements of Whickham School and Sports College ("the charitable company") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017, and of the charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2016 to 2017* issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Governors are responsible for the other information, which comprises the Reference and Administrative Details, the Governors' Annual Report, the Governance Statement, and the Statement on Regularity, Propriety and Compliance. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Governors' Annual Report, which constitutes the Strategic Report and the Directors' Report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Governors' responsibilities

As explained more fully in their statement set out on page 22, the Governors (who are the Directors of the charitable company for the purposes of company law) are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



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

18 December 2017



KPMG LLP

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

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

In accordance with the terms of our engagement letter dated 28 November 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Whickham School and Sports College (the Academy Trust) and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy Trust 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 the Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 4 April 2016 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the 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.

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

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the Head Teacher on behalf of the Governing Body;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2016;
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2016 to 2017.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

18 December 2017

Statement of Financial Activities
for the year ended 31 August 2017

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2017 £000	Total 2016 £000
Income from:						
Donations and capital grants	3	28	14	-	42	47
Other trading activities	4	111	-	-	111	132
Investment income	5	2	-	-	2	35
<i>Charitable activities:</i>						
Funding for the Academy's educational Operations	6	6	7,803	37	7,846	7,974
Total income		147	7,817	37	8,001	8,188
Expenditure on:						
Costs of donations administration	7	(12)	(15)	-	(27)	(17)
Fundraising trading	7	(108)	-	-	(108)	(104)
<i>Charitable activities:</i>						
Academy's educational operations	8	-	(8,033)	(669)	(8,702)	(8,617)
Total expenditure		(120)	(8,048)	(669)	(8,837)	(8,738)
Net income/(expenditure) before transfers		27	(231)	(632)	(836)	(550)
Gross transfers between funds		-	(79)	79	-	-
Net income/(expenditure) for the year		27	(310)	(553)	(836)	(550)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	1,694	-	1,694	(1,809)
Net movement in funds		27	1,384	(553)	858	(2,359)
Reconciliation of funds						
Total funds brought forward at 1 September 2016	15	200	(2,636)	5,783	3,347	5,706
Total funds carried forward at 31 August 2017	15	227	(1,252)	5,230	4,205	3,347

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

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

Balance Sheet
at 31 August 2017

	<i>Note</i>	2017 £000	£000	2016 £000	£000
Fixed assets					
Tangible assets	<i>12</i>		5,230		5,783
Current assets					
Debtors	<i>13</i>	155		145	
Cash at bank and in hand		738		772	
		<u>893</u>		<u>917</u>	
Creditors: amounts falling due within one year	<i>14</i>	(447)		(435)	
		<u> </u>		<u> </u>	
Net current assets			446		482
			<u> </u>		<u> </u>
Total assets less current liabilities			5,676		6,265
Defined benefit pension scheme liability	<i>25</i>		(1,471)		(2,918)
			<u> </u>		<u> </u>
Net assets including pension liability			4,205		3,347
			<u> </u>		<u> </u>
<i>Funds of the Academy:</i>					
Restricted funds					
Fixed asset fund	<i>15</i>	5,230		5,783	
General fund	<i>15</i>	219		282	
Pension reserve	<i>15</i>	(1,471)		(2,918)	
		<u> </u>		<u> </u>	
Total restricted funds	<i>15</i>		3,978		3,147
Unrestricted income funds					
General fund	<i>15</i>	227		200	
		<u> </u>		<u> </u>	
Total unrestricted funds			227		200
			<u> </u>		<u> </u>
Total funds			4,205		3,347
			<u> </u>		<u> </u>

These financial statements on pages 27 to 50 were approved by the Board of Governors, and authorised for issue on 18 December 2017 and are signed on their behalf by:



Ms Sasha Ban
Chair of Governors

Company number: 07729766

Cash Flow Statement
for the year ended 31 August 2017

	<i>Note</i>	2017 £000	2016 £000
Net cash in flow from operating activities	<i>18</i>	40	71
Returns on investments and servicing of finance	<i>19</i>	2	3
Capital expenditure and financial investment	<i>20</i>	(76)	(55)
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
(Decrease)/increase in cash in the year		(34)	19
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Reconciliation of net cash flows to movement in net funds	<i>21</i>		
(Decrease)/increase in cash in the year		(34)	19
Net funds at beginning of year		772	753
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Net funds at end of year		738	772
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2016 (SORP 2016).

Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern.

The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy'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 has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- *Grants receivable*

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

- *Sponsorship income*

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

- *Donations*

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

- *Other income*

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

- *Donated services and gifts in kind*

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

Notes (continued)

1 Accounting policies (continued)

Expenditure

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

- *Costs of generating funds*

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

- *Charitable activities*

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

- *Governance costs*

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

All resources expended are inclusive of irrecoverable VAT.

Interest receivable and Interest payable

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

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in Statement of Financial Activities as they accrue, using the effective interest method.

Basic financial instruments

Trade and other debtors / creditors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes (continued)

1 Accounting policies (continued)

Other financial instruments

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

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

Tangible fixed assets and depreciation

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

Depreciation

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

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

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

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

Leased assets

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

Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

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

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

Notes (continued)

1 Accounting policies (continued)

Non-financial assets

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

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

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

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

Taxation

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

Provisions

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

Pension costs

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Notes *(continued)*

1 Accounting policies *(continued)*

Pension costs *(continued)*

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

Fund accounting

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

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

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

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2017.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000
Other donations	28	14	42
	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
Other donations	24	23	47

Notes *(continued)*

4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000
Sundry income	12	-	12
Shop and commission income	13	-	13
Sports and coaching income	16	-	16
Hire of premises and facilities	70	-	70
	111	-	111
	111	-	111

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

5 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000
Interest on short term cash deposits	2	-	2
	2	-	2
	2	-	2
	-	32	32
FRS 102 pension finance income	3	-	3
Interest on short term cash deposits	3	32	35
	3	32	35

Notes (continued)

7 Expenditure

	Staff costs £000	Depreciation £000	Other costs £000	Total 2017 £000
Costs of donations administration	-	-	27	27
Fundraising trading	80	-	28	108
Academy's educational operations:				
Direct costs (see note 8)	5,719	-	384	6,103
Allocated support costs (see note 8)	972	669	958	2,599
	6,771	669	1,397	8,837
	Staff costs £000	Depreciation £000	Other costs £000	Total 2016 £000
Costs of donations administration	4	-	13	17
Fundraising trading	85	-	19	104
Academy's educational operations:				
Direct costs (see note 8)	5,622	-	416	6,038
Allocated support costs (see note 8)	901	681	997	2,579
	6,612	681	1,445	8,738

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

	2017 £000	2016 £000
Operating lease rentals	51	52
Fees payable to auditor - audit	10	10
- other services	3	5
	69	77

Notes (continued)

8 Charitable activities – Academy’s educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000
Direct costs			
Teaching and educational support staff costs	-	5,719	5,719
Educational supplies	-	44	44
Examination fees	-	144	144
Staff development	-	37	37
Technology costs	-	12	12
Other direct costs	-	147	147
	-	6,103	6,103
Allocated support costs			
Support staff costs	-	972	972
Depreciation	-	669	669
Staff recruitment and student support	-	13	13
Maintenance of premises and equipment	-	127	127
Cleaning	-	178	178
Energy costs	-	192	192
Insurance	-	37	37
Security and transport	-	18	18
Catering	-	47	47
Technology costs	-	100	100
Premises costs	-	68	68
Other support costs	-	158	158
Governance costs	-	20	20
	-	2,599	2,599
	-	8,702	8,702

Notes *(continued)*

8 Charitable activities – Academy’s educational operations *(continued)*

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

9 Staff costs

Staff costs during the year were:

	2017 £000	2016 £000
Wages and salaries	5,056	5,244
Social security costs	507	445
Other pension costs	1,120	923
	<hr/>	<hr/>
Supply teacher costs	6,683	6,612
	88	204
	<hr/>	<hr/>
	6,771	6,816
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

9 Staff costs (continued)

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

	2017 Number	2016 Number
Teachers	83	89
Administration and support	55	49
Management	8	7
	146	145
	146	145

Four employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2017 (2016: five). The total emoluments received by these employees during the year were in the following ranges:

	2017 Number	2016 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
	4	5
	4	5

All four of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, the pension contributions for these staff amounted to £53,592 (2016: £60,103).

Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2016: £nil). There were no non-statutory/non-contractual payments during the period (2016: none).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer's national insurance contributions) received by key management personnel for their services to the Academy during the year was £643,820 (2016: £639,792).

Notes *(continued)*

10 Related party transactions – Governors’ remuneration and expenses

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

S Haigh (Head Teacher):

Remuneration	£100,001 - £110,000 <i>(2016: £100,001 - £110,000)</i>
Employer’s pension contributions	£15,001 - £20,000 <i>(2016: £15,000 - £20,000)</i>

D Camsell (Staff Governor):

Remuneration	£15,001 - £20,000 <i>(2016: £15,001 - £20,000)</i>
Employer’s pension contributions	£0 - £5,000 <i>(2016: £0 - £5,000)</i>

R Hogarth-Willis (Staff Governor):

Remuneration	£20,001 - £25,000 <i>(2016: £20,001 - £25,000)</i>
Employer’s pension contributions	£0 - £5,000 <i>(2016: £0 - £5,000)</i>

M Phillipson (Staff Governor):

Remuneration	£50,001 - £55,000 <i>(2016: £50,001 - £55,000)</i>
Employer’s pension contributions	£5,001 - £10,000 <i>(2016: £5,001 - £10,000)</i>

I Turnbull (Staff Governor):

Remuneration	£45,001 - £50,000 <i>(2016: £45,001 - £50,000)</i>
Employer’s pension contributions	£5,001 - £10,000 <i>(2016: £5,001 - £10,000)</i>

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

11 Governors’ and Officers’ insurance

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

This insurance provides unlimited cover *(2016: £5,000,000)* on any one claim and the cost for the year ended 31 August 2017 was £31,720 *(2016: £39,850)*. The year ended 31 August 2017 figure represents the total cost for the Risk Protection Arrangement (RPA) pooling insurance underwritten by the UK Government. Under this arrangement, the breakdown for the Governors’ and Officers’ insurance element within the policy is not available. However, the Governors consider that the RPA pooling insurance has brought considerable savings to the total annual insurance costs for the school.

Notes (continued)

12 Tangible fixed assets

	Leasehold land and buildings £000	Furniture, fixtures and fittings £000	Motor vehicles £000	Computer equipment and software £000	Total £000
<i>Cost</i>					
At 1 September 2016	8,669	90	48	455	9,262
Additions	-	-	44	72	116
Disposals	-	-	-	(2)	(2)
	<u>8,669</u>	<u>90</u>	<u>92</u>	<u>525</u>	<u>9,376</u>
<i>Depreciation</i>					
At 1 September 2016	3,047	61	48	323	3,479
Charge for year	604	11	4	50	669
Disposals	-	-	-	(2)	(2)
	<u>3,651</u>	<u>72</u>	<u>52</u>	<u>371</u>	<u>4,146</u>
<i>Net book value</i>					
At 31 August 2017	<u>5,018</u>	<u>18</u>	<u>40</u>	<u>154</u>	<u>5,230</u>
At 31 August 2016	<u>5,622</u>	<u>29</u>	<u>-</u>	<u>132</u>	<u>5,783</u>

13 Debtors

	2017 £000	2016 £000
Trade debtors	5	5
Other debtors	27	31
Prepayments and accrued income	55	44
VAT receivable	68	65
	<u>155</u>	<u>145</u>

14 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	38	7
Accruals and deferred income	277	186
Other creditors	-	2
Other taxation and social security	132	240
	<u>447</u>	<u>435</u>

Notes (continued)

15 Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
Donations	140	14	(15)	-	139
General Annual Grant (GAG)	(158)	7,346	(7,158)	(79)	(49)
LEA and other grants	(20)	79	(83)	-	(24)
Other DfE/YPLA/ESFA grants	247	378	(545)	-	80
Other restricted	73	-	-	-	73
Pension reserve (note 25)	(2,918)	-	(247)	1,694	(1,471)
	<u>(2,636)</u>	<u>7,817</u>	<u>(8,048)</u>	<u>1,615</u>	<u>(1,252)</u>
Restricted fixed asset funds					
Other DfE/YPLA/ESFA capital grants	1,034	37	-	(37)	1,034
Sponsorship fixed assets	4,724	-	(669)	116	4,171
LEA and other grants	25	-	-	-	25
	<u>5,783</u>	<u>37</u>	<u>(669)</u>	<u>79</u>	<u>5,230</u>
Total restricted funds	<u>3,147</u>	<u>7,854</u>	<u>(8,717)</u>	<u>1,694</u>	<u>3,978</u>
Unrestricted funds					
Other trading activities	159	111	(120)	-	150
Investment income	10	2	-	-	12
Donations	20	28	-	-	48
Academy's educational operations	11	6	-	-	17
Total unrestricted funds	<u>200</u>	<u>147</u>	<u>(120)</u>	<u>-</u>	<u>227</u>
Total funds	<u>3,347</u>	<u>8,001</u>	<u>(8,837)</u>	<u>1,694</u>	<u>4,205</u>

Notes (continued)

15 Funds (continued)

Notes:

- (i) General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes. Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. Note 2 discloses whether the limit was exceeded.
- (ii) Capital grants are awarded by the ESFA to fund building improvements.
- (iii) The costs and income associated with the defined benefit pension scheme have been recorded in the restricted non fixed asset fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these costs.

16 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total £000
<i>Fund balances at 31 August 2017 are represented by:</i>				
Tangible fixed assets	-	-	5,230	5,230
Current assets	227	666	-	893
Current liabilities	-	(447)	-	(447)
Defined benefit pension scheme liability	-	(1,471)	-	(1,471)
	<u>227</u>	<u>(1,252)</u>	<u>5,230</u>	<u>4,205</u>

Fund balances at 31 August 2016 are represented by:

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

Notes (continued)

17 Financial commitments

Operating leases

At 31 August 2017 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Other		
Amounts due within one year	7	51
Amounts due between one and five years	4	11
Amounts due after five years	-	-
	11	62
	11	62

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

	2017 £000	2016 £000
Net expenditure	(836)	(550)
Depreciation (see note 12)	669	681
Capital grants from DfE/YPLA/ESFA and other capital income	(37)	(33)
Interest receivable (see note 5)	(2)	(3)
FRS 102 pension cost less contributions payable	192	37
FRS 102 pension finance costs/(income)	55	(58)
(Increase)/decrease in debtors	(9)	20
Increase/(decrease) in creditors	8	(23)
	40	71
Net cash provided by operating activities	40	71

19 Returns on investments and servicing of finance

	2017 £000	2016 £000
Interest received on short term cash deposits	2	3
	2	3

20 Capital expenditure and financial investment

	2017 £000	2016 £000
Purchase of tangible fixed assets	(113)	(88)
Capital grants from DfE/YPLA/ESFA and other capital income	37	33
	(76)	(55)
Net cash outflow from capital expenditure and financial investment	(76)	(55)

Notes (continued)

21	Analysis of changes in net funds	At 1 September 2016 £000	Cash flows £000	At 31 August 2017 £000
	Cash at bank and in hand	772	(34)	738
		<u> </u>	<u> </u>	<u> </u>

22 Related party transactions

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

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

23 Contingent liabilities

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

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

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

24 Members' liability

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

25 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2015 and of the LGPS 31 March 2016.

Notes (continued)

25 Pension and similar obligations (continued)

Contributions amounting to £103,890 (2016: £112,270) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the year the employer contribution rate was 16.48%.

The pension costs paid to TPS in the period amounted to £603,256 (2016: £629,481).

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

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

Notes *(continued)*

25 Pension and similar obligations *(continued)*

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2017 were £341,000 (2016: £360,000) of which employer's contributions totalled £266,000 (2016: £292,000) and employees' contributions totalled £75,000 (2016: £68,000). The LGPS employer contribution rate is 15.4%, and will remain in place until 31 March 2017. This rate was revised from 1 April 2017 after the finalisation of the tri-annual LGPS review and from this point the contribution rate was 16.5%. The LGPS employee contribution rates are banded based on salary earned. The employee salary bands and corresponding rates are as follows:

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

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

Principal Actuarial Assumptions:

	2017	2016
Rate of increase in salaries	3.5%	3.4%
Rate of increase for pensions in payment	2.0%	1.9%
Discount rate for scheme liabilities	2.5%	2.0%
Inflation assumption (CPI)	2.0%	1.9%

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

	2017	2016
<i>Retiring today:</i>		
Males	22.8%	23.2%
Females	26.3%	24.8%
<i>Retiring in 20 years:</i>		
Males	25.0%	25.3%
Females	28.6%	27.1%

Notes *(continued)*

25 Pension and similar obligations *(continued)*

Local Government Pension Scheme

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	3,207	2,770
Government bonds	189	159
Property	437	418
Cash	189	125
Corporate bonds	558	481
Other	271	226
Total market value of assets	4,851	4,179
Present value of scheme liabilities		
- Funded	(6,322)	(7,097)
Deficit in the scheme	(1,471)	(2,918)

The actual return on scheme assets was £378,000 (2016: £624,000).

Amounts recognised in the Statement of Financial Activities:

	2017 £000	2016 £000
Current service cost	458	234
Interest on net liability	55	37
Pension expense	513	271

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

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is a £476,000 loss (2016: £2,170,000 loss).

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

	2017 £000	2016 £000
At beginning of year	7,097	4,397
Current service cost	458	234
Interest cost	142	167
Contributions by participants	75	68
Net benefits paid out	(47)	(72)
Actuarial (gains)/losses on scheme liabilities	(1,403)	2,303
At end of year	6,322	7,097

Notes (continued)

25 Pension and similar obligations (continued)

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

	2017 £000	2016 £000
At beginning of year	4,179	3,267
Interest income on assets	87	130
Contributions by employer	266	292
Contributions by participants	75	68
Net benefits paid out	(47)	(72)
Actuarial gains on scheme assets	291	494
	4,851	4,179
At end of year	4,851	4,179

The estimated value of employer contributions for the year ended 31 August 2017 is £269,000.

The five year history of experience adjustments is as follows:

	2017 £000	2016 £000	2015 £000	2014 £000	2013 £000
Present value of defined benefit Obligations	(6,322)	(7,097)	(4,703)	(4,397)	(4,091)
Fair value of share of scheme assets	4,851	4,179	3,674	3,267	2,860
	(1,471)	(2,918)	(1,029)	(1,130)	(1,231)
	(1,471)	(2,918)	(1,029)	(1,130)	(1,231)
Experience adjustments on share of scheme asset – gains/(losses)	291	494	(14)	(14)	62
Experience adjustments on scheme Liabilities – (gains)/losses	(1,403)	2,303	(106)	(106)	14
	(1,403)	2,303	(106)	(106)	14