

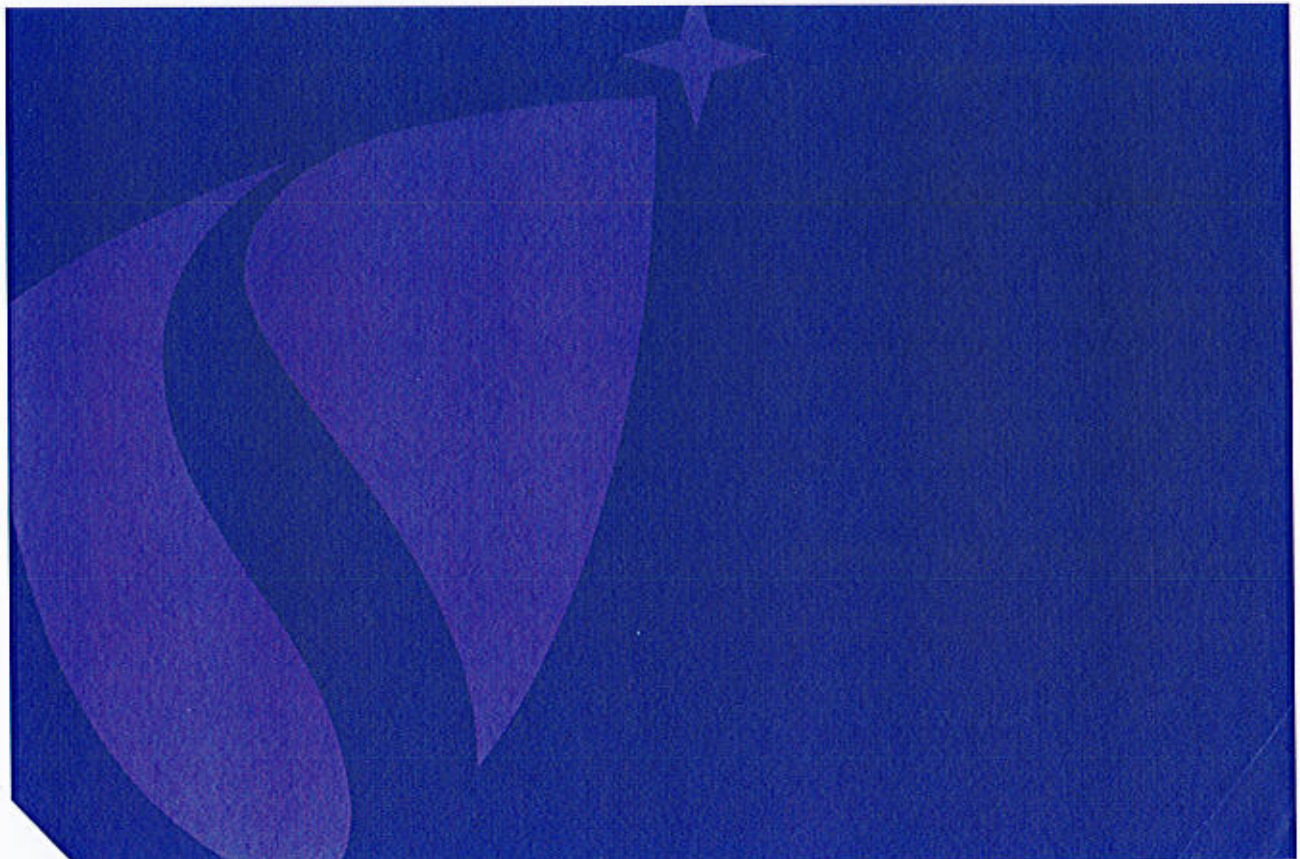


Company No. 1196898  
Registered in England  
Charity No. 503975

# NEWCASTLE SCHOOL FOR BOYS

A company limited by guarantee

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022



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<b>GOVERNORS, DIRECTORS AND CHARITY TRUSTEES</b>
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The Governors of Newcastle School for Boys (“the School”) are the School’s charity trustees under charity law and the directors of the charitable company. The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below.

Mr T Care (Chairman)	Finance Sub-Committee Property Sub-Committee
Mr M R Gill *	Finance Sub-Committee
Mrs L Graham *	
Mrs C King	Finance Sub-Committee
Dr N Lloyd-Jones	Finance Sub-Committee Health and Safety Sub-Committee
Mrs S Melbourne	Education Sub-Committee
Mr P Parkinson	Marketing Sub-Committee
Mr J Sykes *	Property Sub-Committee

\* Parent of pupil at the School

#### **OFFICERS**

Mr D J Tickner

*Headmaster*

Mrs C Dobson

*Bursar and Clerk to the Governors*

**Website**

*[www.newcastleschool.co.uk](http://www.newcastleschool.co.uk)*

#### **Principal address and Registered Office**

30 West Avenue, Gosforth, Newcastle upon Tyne, NE3 4ES

#### **Auditors**

Joanne Regan FCA - Senior Statutory Auditor, for and on behalf of Azets Audit Services, 32 Brenkley Way, Blezard Business Park, Seaton Burn, Newcastle upon Tyne NE13 6DS

#### **Bankers**

Barclays Bank plc, Newcastle Corporate Service, Barclays House, 5 St. Ann’s Street, Quayside, Newcastle upon Tyne NE1 3DX

#### **Solicitors**

Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF

Ward Hadaway LLP, Sandgate House, 102 Quayside, Newcastle upon Tyne NE1 3DX

#### **Insurance Broker**

Marsh Limited, Capital House, 1-5 Perrymount Road, Haywards Heath, West Sussex RH16 3SY

The members of the Newcastle School for Boys Governing Body present their Annual Report for the year ended 31 August 2022 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Charity was founded in 1975 as Newlands Educational Trust and is registered with the Charity Commission under Charity No. 503975. Newlands Educational Trust merged with Ascham House School Trust Limited on 1 September 2005 and changed its name to Newcastle School for Boys ("the School") on 6 September 2005. The School is constituted as a company limited by guarantee registered in England, No. 1196898.

Details of the members of the Governing Body, together with the School's officers and principal advisers, are given on page 1.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing documents**

The School is governed by its Memorandum of Association and Articles of Association last amended January 2014.

### **Governing Body**

The Governing Body is self-appointing, with members completing three years of service required to retire at each AGM. Members retiring can be re-elected.

New members of the Governing Body are elected on the basis of nominations from the Governors and the executive officers based on the candidates' professional qualities, experience, personal competence and local availability.

### **Recruitment and training of Governors**

New Governors are introduced into the workings of the School, including Governing Body policy and procedures, at an induction workshop specially organised for them by the Head and Bursar. The new Governors also attend specialist external courses on the role and responsibilities of charity trustees.

Members of the Governing Body attend external trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

### **Organisational management**

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School and its senior and preparatory schools. They met remotely six times in the year ended 31 August 2022, via video conferencing facilities. The work of implementing their policies is carried out by members of the Sub-Committees:

- The Finance Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervise and finalise the audited financial statements and annual report for approval by the Governing Body. The Finance Committee is chaired by Tim Care.

- The Property Committee, chaired by Jonathan Sykes, works to develop and implement a strategy making best use of facilities and identify alternative solutions.
- The Marketing Committee works closely with the Director of Marketing and Admissions, developing the brand, assessing advertising effectiveness and developing social network activity.
- The Nominations Committee identifies potential new Governors when the need arises, considering specific skills that would strengthen the relevant the Governing Body.
- The Education Committee considers educational and pastoral policy. The Committee is chaired by Sue Melbourne.
- Dr Neil Lloyd-Jones is a member of the School's Health and Safety Committee and is the responsible governor for Safeguarding.

The day-to-day running of the School is currently delegated to the Headmaster, supported by the Bursar, Deputy Head (Character Development), Deputy Head (Teaching and Learning), Head of Junior School and the Director of Marketing and Admissions, who work together as the Senior Leadership Team. The Headmaster and Bursar attend all meetings of the Governors.

#### **Group structure and relationships**

Newcastle School for Boys has no trading subsidiary company. The School co-operates with a number of local charities in its ongoing endeavours to widen public access to the schooling that it can provide, to optimise the educational use of sporting and cultural facilities and to awaken in its pupils the awareness of the wider social context of the education that they receive at the School.

#### **Employment policy**

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School. The School's pay policy is in line with national pay scales. Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to apprise staff of current issues.

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

#### **Charitable Objects**

The School's Objects, as set out in the Memorandum of Association, are the advancement of education for boys. In furtherance of these Objects for the public benefit the School has established and administers bursaries, awards and other benefactions, and acts as the trustee and manager of property, bequests and gifts given or established in pursuance of these Objects. The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011, and with due consideration to the Charities Act 2022. In this connection the Board has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

### **Public Benefit and Intended impact**

In meeting these Charitable Objects, Newcastle School for Boys' public benefit aims are:

- to make excellent, accessible education available to as many boys as possible,
- to serve and support the local and wider community, and
- to develop boys and young men of excellent character, who recognise and fulfil their obligation to the local community and wider society.

Excellent teaching is combined with an ethos that believes in knowing each boy as an individual to create an environment where the highest possible academic standards are achieved.

### **School Ethos and Aims**

The School provides, in a supportive environment, an excellent all-round learning experience for boys, throughout their education. Specifically, we aim to:

- Challenge and support each boy to achieve the highest levels of individual progress;
- Develop boys and young men of excellent character.

As one of the newest schools in the independent sector, Newcastle School for Boys incorporates traditional values whilst preparing all boys for the changing expectations and demands of modern life.

The School is unique, not only in being boy-focused but also in its size. Comparatively small both in class sizes and as an overall school, each boy who joins Newcastle School for Boys is well known to his teachers and taught as an individual. Each boy's individual talents and aspirations are recognised and supported.

Outside of the classroom, boys are given the opportunity to bring their learning to life on a number of exciting educational and sporting trips such as science trips to Florida and CERN and sports tours to South Africa and India.

Our boys are also encouraged to play their part within the community, whether through voluntary and charitable work or valuable work experience in some of the region's most highly regarded organisations.

Pastoral care at Newcastle School for Boys is second to none. Boys are offered support around matters both in and outside of school to ensure they are prepared for the many challenges they may face.

From their very first years until the day they leave the School, boys participate in a character education programme, developing values of community, integrity, resilience, courage, leadership and empathy with the aim of developing as young men of excellent character.

An education at Newcastle School for Boys will equip boys with the tools needed to go on to lead successful and fulfilled lives beyond school.

### **Strategies to achieve the primary objectives**

Emphasis is placed on the provision of outstanding teaching and learning throughout the School.

The Governors and Senior Leadership Team work hard to ensure the best financial position to secure the future development of the School. Additional funding is provided by the NSB Parents Association and is often targeted to provide finance for specific projects.

### Principal activity

The School's principal activity, as specified in the Memorandum of Association, is the advancement of education and, in this, the School has again had a successful year. The senior school averaged 253 pupils (2021: 266) and 120 in the Junior School (2021: 117).

The School participates in the Government's free early year funding, offering 15 hours of tuition to under 5's, and 30 free hours to eligible families, funded by the local government. The School's fees for the current year before the deduction of any means-assisted bursaries and scholarships are:

Reception	After the term of their 5th birthday	£3,453 per term
Junior School	Years 1 and 2	£4,028 per term
	Years 3 to 6	£4,155 per term
Senior School	Years 7 to 13	£5,088 per term

### Public benefit and fee remissions

Newcastle School for Boys remains committed to the aim of providing public benefit in accordance with its founding principles. Charity legislation includes a requirement to demonstrate that public benefit for any charitable purpose where it had hitherto been presumed in the absence of evidence to the contrary. This calls in turn for commensurate disclosure of our public benefit aims.

The School's extensive scholarship and bursary programmes seeks to make our education as accessible as possible for those who may otherwise be unable to meet the cost of school fees. This year the School awarded bursaries and scholarships to 174 pupils (2021: 157 pupils).

The awarding of bursaries is a measurable means of providing public benefit. The Board takes the view that bursaries awarded to those who would not otherwise be able to afford the fees are important, but not to the exclusion of the much wider benefit that the School provides within the community. Those pupils who attend our schools and who receive financial support contribute to the school community in a variety of ways, and so the benefit is not purely to these pupils but to the whole School and, in some cases, to the wider community.

Means-tested awards, based on a sliding scale according to financial circumstances, totalling £410,000 were awarded to 57 pupils, including 3 for full fees (2021: 61 bursaries totalling £435,000, 4 for full fees). The total cost of bursaries represented 8.0% of gross fee income (2021: 8.7%). The School continues to refine means-testing this year by introducing a more rigorous and detailed process that continues to develop.

In addition, the School awarded scholarships to 117 pupils (2021: 127) based on their educational merit and potential. Of this number, 26 (2021: 31) also qualified for means-tested bursary support and are included in the figures relating to the bursary awards. The fees of six boys were fully discounted through a combination of scholarship and bursary awards. The progress of pupils receiving scholarships is reviewed at least annually to ensure that progress is in line with their abilities. No scholarships were withdrawn in the year as a result of reviews.

The balance of bursary and scholarship awards remains under careful review by Governors to ensure that children can accept offers of places at our School through the availability of means-tested fees assistance. Our approach is designed to widen access to our School.

The School supports actively the attainment of the highest standards of education through rigorous and continuous evaluation of quality and performance, the application of best practice and a widespread desire to improve standards. We cooperate with local charities and educational bodies in our ongoing endeavours to widen public access to the schooling we provide, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at the School.

### STRATEGIC REPORT - Achievements and Performance

The 2021/22 academic year thankfully afforded the School the opportunity to emerge from the restrictions that prevailed in schools and more widely in response to the Covid pandemic.

It was particularly pleasing to see pupils in a position to interact and socialise more freely with their friends in school as well move towards a full resumption of learning and other activities including the School's extensive co-curricular programme, trips and fixtures.

In January 2022, the Independent Schools Inspectorate (ISI) visited the school to undertake a scheduled and rigorous educational quality and focussed compliance inspection. The School was delighted to receive the highest possible gradings. Inspectors judged the School to be 'excellent' in all categories: pupils academic and other achievements as well as pupils' personal development. The School was also judged to be fully compliant in all of the regulatory areas inspected.

Additional external recognition for the School came at the end of the summer term in the form of nomination as a finalist in the boys' school of the year category in the annual Independent Schools of the Year awards.

For the first time since 2019, in the summer, pupils were able to sit public examinations. Their resumption ran very smoothly with the high-quality teaching and learning and excellent pastoral support fully vindicated in an excellent set of results.

At A level, over a quarter (27.5%) of grades were awarded A\*, over a half (52.2%) A\* to A and just over three quarters (75.4%) A\* to B. Within the School's unique offer of applied and vocational sixth form qualifications, students achieved a 100% pass rate with 50.0% awarded distinctions and 25.0% merits. For those students applying for immediate university entry, 95.5% achieved the grades required to meet their offers. A small number of other students pursuing different pathways were similarly successful in their pursuit of apprenticeships or direct employment.

At GCSE, our pupils once again outperformed national standards by every measure. Fractionally under a half (49.2%) of pupils achieved top grades at 9 to 7 compared to the national figure for males of 22.4%.

Pupils in the Junior School also continued to achieve exceptionally well academically particularly in reading and maths. External assessments sat towards the end of the academic year showed that 79% of pupils from Years 2 to 6 achieved results that were at or above the age-related expectations for reading. In Mathematics, this figure rose to 86%.

Moving beyond Covid also allowed the resumption of activities that enriched pupils learning beyond the taught curriculum such as a Senior School cultural and historical residential visit to Rome in the summer term, whole school participation in British Science Week, participation in Newcastle's youth climate change summit and a range of junior, intermediate and senior challenges run by the UK Mathematics Trust. Year 5 boys at the Junior School achieved an impressive 11th place in the national times tables rock stars 'NSPCC rocks' competition in a field of over 60,000 other entries.

The School was delighted to be able to reinstate its programme of performances and church services including a Junior School play, a variety of musical concerts as well as harvest festival and carol services in the local community.

Beyond the sheer enjoyment, health and wellbeing and opportunities for personal and character development, school sport also resumed and continued to punch significantly above its weight. Notable successes included the Under 18s winning the county rugby sevens, Under 10 footballers winning the northeast Independent Schools Football Association tournament and the Under 11 athletics team finishing third in the city

In a terrific cricket season, the Under 14s were crowned county champions and the Under 17s reached the north final of The Cricket Paper national cup. The first XI cricket team toured to Liverpool winning all three of their matches and the tournament against strong, independent school opposition.

#### **Public benefit and community engagement**

The School remains committed to achieving demonstrable public benefit and engaging with and supporting our local community. 'Community' is one of the core virtues within the School's character compass that helps to shape the pupils' personal development.

Having appointed a partnership co-ordinator, the School was very pleased to create a sporting partnership with two local state primary schools sharing coaching expertise and approaches to developing children's enjoyment, participation and skills. During the 2021/22 academic year, over 300 children from these local schools took part in multi-sport sessions led by staff at Newcastle School for Boys with seven staff also providing professional development for their state school colleagues.

The School remains committed to each of its important local community links and partnerships, particularly with Newcastle Cathedral, All Saints' Church, Ladybird Nursery and South Northumberland Cricket Club.

The School participates in the government's 30-hour free nursery provision for early years enabling more children to benefit from the excellent teaching and supportive environment at the start of their education.

Several charitable and fundraising initiatives provided support and raised £6,195 for a range of charities including The British Red Cross - Ukraine, Comic Relief, Macmillan, The West End food bank, Newcastle United Foundation, Cancer Research and others.

Year 9 boys participated in the Beyond Education-Being Human programme led by the School's contract caterers, Thomas Franks. The pupils developed their cooking and food-based life skills through practical workshops led by catering staff. Drawing on those pupils' newly acquired skills, hundreds of meals were prepared, donated and delivered to a local charity supporting homeless and vulnerable in our local community.

## **FINANCIAL REVIEW**

### **Results for the year**

The School's net incoming resources for the year amounted to £107,915 (2021: £112,640). Surpluses were utilised to invest in classroom technology. The surplus generated was also required to cover financing costs. Historic retained funds will be utilised to maintain and improve the School facilities, as well as improving the IT infrastructure throughout the school and to develop digital learning in the classroom.

### **Reserves Level and Policy and Financial Viability**

The Governors maintain close control over expenditure and set fee income at a level which will:

- Meet all revenue expenditure, as well as the cost of providing bursaries and scholarships;
- Generate a surplus sufficient to cover the level of interest on the School's financing costs;
- Provide a level of cash flow that is sufficient to cover the capital repayments on the School's loan with Barclays Bank; and
- Maintain, as far as possible, stability in pupil numbers.

Total reserves at 31 August 2022 were £5,943,345 (2021: £5,835,430), which comprised unrestricted funds of £5,707,011 (2021: £5,557,863) and restricted funds of £236,334 (2021: £277,567). The School's premises and equipment net of loans at 31 August 2022 were £5,160,745 (2021: £5,000,691).

The reserves policy requires that total free reserves, as defined by the Charities Commission, cover four months average gross expenditure in order to ensure sufficient funds are maintained in the unrestricted general reserve to meet the working capital requirements of the School, through the generation of annual operating surpluses. At 31 August 2022 average monthly gross expenditure was £388,200 (2021: £354,453). The free reserves as at 31 August 2022 were £3,189,583 (2021: £3,098,599). The level of the general reserve is monitored by the Finance Sub-Committee and adjusted as required through efficient financial management. Donations for bursaries are held in a Restricted Fund until released to fund assisted fees in future periods. In the current year £41,213 was released to fund bursaries for four boys in the school

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the School. The Governors are fully aware of the need to be responsive to changes to the political and economic landscape, which they continue to monitor closely. The impact of the coronavirus pandemic introduced an additional risk in 2019-20 and this continued throughout 2020-21.

Health and Safety is always a significant area for risk management. Other risks range from fire and infrastructure to personal risks (most notably when away from the School on trips and expeditions). The level and breadth of activity at the School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment. The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks for the School.

#### PLANS FOR FUTURE PERIODS

During the year, the School began to realise its plan to issue one-to-one devices to Senior School pupils and all staff as part of its commitment to enhancing and developing the use of technology in teaching and learning and other areas of the School's operation. Effective use of technology will support the delivery of a superior educational experience facilitating more individualised learning in several ways including, for example, through the ease of access and feedback. It will also help our pupils to develop digital literacy and other important skills highly valued by employers and society such as collaboration and creativity.

The application of technology is a key strand in the School's current *Strategic plan 2022-2027* consulted on and formulated during the 2021-22 academic year. Other focuses include enhanced staff development and sharing of good practice. A further strand will see the School continue to develop a progressive and relevant curriculum and pupil experience meeting the academic, character development and well-being needs of all pupils in a fast-changing post-pandemic world.

The school will also continue to work hard to maintain the strength of its finances, assets and resources to ensure that it can continue to deliver successfully its aims and other development objectives particularly in the face of current and predicted economic and political challenge and uncertainty.

#### STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governors of Newcastle School for Boys, who are also directors of Newcastle School for Boys for the purpose of company law, are responsible for preparing the Annual Report of the Governors, including the Strategic Report, and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The Charities Act 2011 and Company Law requires them as charity trustees and directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing these financial statements, the Governors of Newcastle School for Boys are required to follow best practice and:

- select the most suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP 2019 (FRS 102),
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking

reasonable steps for the prevention and detection of fraud and other irregularities.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a strategic plan and an annual budget approved by the Governors;
- regular consideration by the Governors of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governors maintain a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The risk register is formally reviewed by Governors annually, or more frequently if circumstances require it. As part of this process the Governors have reviewed the adequacy of the Charity's current internal controls. The Governors are pleased to report that the Charity's internal financial controls, in particular, conform with guidelines issued by the Charity Commission.

In accordance with company law, as the company's directors, we certify that

- so far as we are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- each trustee of the company has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

This Trustees Report, including the Strategic Report, is approved by the Board of Governors of Newcastle School for Boys on 15 February 2023, and signed on its behalf by:



Tim Care  
(Chairman of Governing Body)

## Opinion

We have audited the financial statements of Newcastle School for Boys (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

The other information comprises the information included in the Annual Report of the Governors, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report of the Governors.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the trustees' Annual report of the Governors (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charitable company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the charitable company and management.

#### Use of our report

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



Joanne Regan FCA (Senior Statutory Auditor)  
For and on behalf of:  
Azets Audit Services  
Accountants  
Statutory Auditor  
32 Brenkley Way  
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Newcastle upon Tyne  
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17 February 2023

**NEWCASTLE SCHOOL FOR BOYS**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

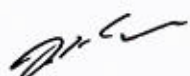
	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total £	2021 Total £
<b>Income and endowments from:</b>						
<b>Charitable activities</b>						
School fees receivable	2	4,294,565	-	-	4,294,565	4,052,484
Catering income		271,605	-	-	271,605	204,078
Government funding		105,383	-	-	105,383	73,434
Income from School trips		68,091	-	-	68,091	0
Rental income from lettings		5,725	-	-	6,725	7,300
Other income		10,723	-	-	10,723	8,939
<b>Investments</b>						
Investment income		119	-	-	119	128
<b>Voluntary sources</b>						
Grants and donations	3	10,119	-	-	10,119	19,713
<b>Total income and endowments</b>		<b>4,766,330</b>	<b>-</b>	<b>-</b>	<b>4,766,330</b>	<b>4,366,076</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Financing costs	4	(31,284)	-	-	(31,284)	(22,343)
<b>Charitable activities</b>						
Education and grant making	4	(4,627,111)	(20)	-	(4,627,131)	(4,231,093)
<b>Total expenditure</b>	4	<b>(4,658,395)</b>	<b>(20)</b>	<b>-</b>	<b>(4,658,415)</b>	<b>(4,253,436)</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investment</b>		<b>107,935</b>	<b>(20)</b>	<b>-</b>	<b>107,915</b>	<b>112,640</b>
Gains on investments		-	-	-	-	-
Transfers between funds	17	41,213	(41,213)	-	-	-
<b>Net movement in funds</b>		<b>149,148</b>	<b>(41,233)</b>	<b>-</b>	<b>107,915</b>	<b>112,640</b>
Fund balances brought forward at 1 September 2021		5,557,863	277,567	-	5,835,430	5,722,790
<b>Fund balances carried forward at 31 August 2022</b>		<b>5,707,011</b>	<b>236,334</b>	<b>-</b>	<b>5,943,345</b>	<b>5,835,430</b>

The notes on pages 18 to 32 form part of these financial statements

**NEWCASTLE SCHOOL FOR BOYS**  
**COMPANY NO: 1196898**  
**BALANCE SHEET AS AT 31 AUGUST 2022**

	Note	2022	2021
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	7	7,149,752	7,214,869
Investments	8	<u>2,113</u>	<u>2,113</u>
		7,151,865	7,216,982
<b>CURRENT ASSETS</b>			
Stock		2,320	3,035
Debtors	9	197,687	90,109
Cash and deposits		<u>1,479,079</u>	<u>1,512,014</u>
		1,679,086	1,605,158
<b>CURRENT LIABILITIES</b>			
Creditors payable within one year	10	<u>1,114,018</u>	<u>978,200</u>
<b>NET CURRENT ASSETS /(LIABILITIES)</b>			
		<u>565,068</u>	<u>626,958</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		7,716,933	7,843,940
<b>LONG-TERM LIABILITIES</b>			
Creditors payable after one year	11	<u>(1,773,588)</u>	<u>(2,008,510)</u>
<b>NET ASSETS</b>			
		<u>5,943,345</u>	<u>5,835,430</u>
<b>REPRESENTED BY:</b>			
<b>RESTRICTED INCOME FUNDS</b>	16	236,334	277,567
<b>UNRESTRICTED FUNDS</b>			
General Reserve	16	5,632,806	5,541,822
Designated Funds	16	<u>74,205</u>	<u>16,041</u>
		<u>5,943,345</u>	<u>5,835,430</u>

These financial statements were approved by the Governing Body on 15 February 2023



**Mr Tim Care**  
(Chairman of the Governing Body)

The notes on pages 18 to 32 form part of these financial statements

**NEWCASTLE SCHOOL FOR BOYS**  
**CASH FLOW STATEMENT AS AT 31 AUGUST 2022**

	Note	2022		2021	
		£	£	£	£
<b>Net cash outflow from operations</b>					
Net cash provided by / (used in) operating activities	(i)		384,751		311,369
<b>Cash flows from investing activities:</b>					
Purchase of Tangible fixed assets		(151,419)		(62,783)	
Investment income and bank interest received		<u>119</u>		<u>128</u>	
<b>Net cash (used in) / provided by investing activities</b>			<b>(151,300)</b>		<b>(62,655)</b>
<b>Cash flows from financing activities:</b>					
Interest paid on borrowings		(31,284)		(22,343)	
Hire Purchase Capital repayment		(9,931)			
Loan Capital repayments		<u>(225,171)</u>		<u>(223,604)</u>	
<b>Net cash provided by financing activities</b>			<b>(266,386)</b>		<b>(245,947)</b>
			<b>(417,686)</b>		<b>(308,602)</b>
Change in cash and cash equivalents in the reporting period			<u>(32,935)</u>		<u>2,767</u>
Cash and cash equivalents at the beginning of period			<u>1,512,014</u>		<u>1,509,247</u>
Cash and cash equivalents at the end of the reporting period			<u>1,479,079</u>		<u>1,512,014</u>

**(i) Reconciliation of net income to net cash flow from operating activities**

	2022		2021	
	£	£	£	£
<b>Net incoming resources</b>		107,915		112,640
<b>Elimination of non-operating cash flows:</b>				
Depreciation charges	216,535		193,116	
Loss on disposal of assets	-		2,502	
Investment income	(119)		(128)	
Loan interest	31,284		22,343	
(Increase)/decrease in Stock and Debtors	(106,862)		61,507	
Increase/(decrease) in Creditors	<u>135,998</u>		<u>(80,611)</u>	
		<b>276,836</b>		<b>198,729</b>
<b>Net cash inflow from operations</b>		<b>384,751</b>		<b>311,369</b>

## 1. ACCOUNTING POLICIES

These financial statements are prepared in accordance with the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)', the Companies Act 2006 and the Charities SORP 2019. An adjustment was made on transition to FRS102, to recognise the valuation of derivative financial instruments in the balance sheet, and to reflect the movement in the valuation in the profit and loss account. The basis of valuation is detailed below in note 1.12. The functional currency of the School is GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The Governors have paid particular attention to the impact that Covid-19 had on this financial year and the following 12 months.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability.

Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 11.

The accounts present the statement of financial activities (SOFA), the cash flow statement and the Charity balance sheet.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated in 1975 (company number: 1196898) and registered as a charity in 1975 (charity number: 503975).

### **Critical accounting judgements and key sources of estimation uncertainty.**

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the

## 1. ACCOUNTING POLICIES (continued)

revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

### 1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

### 1.2 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

### 1.3 Donations, legacies, grants and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where donations have been received that are to provide assistance with fees, they are recognised when received and shown as an incoming resource under Restricted Funds, unless it is a condition stipulated by the donor that they are to be used in future periods. Where there is a condition stipulated by the donor that they are to be used in future periods, the donations are included as deferred income within creditors and released to fees receivable as the conditions are satisfied. All donations are held in a separate designated bank account until utilised.

When utilised they are transferred to unrestricted funds and netted off against fees receivable. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

### 1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SOFA is apportioned to them on the basis of the estimated amount attributable to

## 1. ACCOUNTING POLICIES (continued)

each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

### 1.5 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £10,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £5,000 are capitalised and carried in the balance sheet at historical cost. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

### 1.6 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in annual instalments over their expected useful economic lives as follows:

#### *Straight-line basis:*

Freehold buildings	2%
Freehold building improvements	10%
Leasehold Improvements	20%
Astro- turf and playground surfaces	10%
Motor vehicles	20%
Fixtures, fittings and equipment	20%
Computers (from Sept 2021)	33%

#### *Reducing balance basis:*

Computers (prior to Aug 2021)	33%
Classroom digital boards	15%

Where the net book value of the reducing balance becomes immaterial the balance will be depreciated to zero.

### 1.7 Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

## **1. ACCOUNTING POLICIES (continued)**

### **1.8 Stock**

Stocks are valued at the lower of cost and net realisable value.

### **1.9 Fund accounting**

The charitable trust funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

### **1.10 Pension costs**

Retirement benefits to employees of the School are provided through two pension schemes, one defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- a. The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the scheme is accounted for as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary are charged in the period in which the salaries to which they relate are payable.
- b. The NOW Pension scheme - This is a defined contribution multi-employer pension plan. Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

### **1.11 Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are spread on a reducing balance basis over the lease term.

**1. ACCOUNTING POLICIES (continued)**

**1.12 Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost, except for investments and other derivative financial instruments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

**2. CHARITABLE ACTIVITIES - FEES RECEIVABLE**

	2022 £	2021 £
<b>Fees receivable consist of:</b>		
Gross School fees	5,173,601	5,011,792
Less: Total scholarships and bursaries	(810,595)	(875,873)
Other awards	( 68,441)	(83,435)
	<u>4,294,565</u>	<u>4,052,484</u>

Bursaries and other awards paid for by restricted funds transferred during the year totalled £41,213 (2021: £31,080)

Scholarships, bursaries and other awards were paid to 192 pupils (2021: 194). Within this, means tested bursaries totalling £409,585 were paid to 57 pupils, (2021: £435,309 to 61 pupils).

**3. GRANTS AND DONATIONS RECEIVABLE**

	2022 £	2021 £
<b>Grants from:</b>		
Government Coronavirus Job Retention scheme	441	18,908
Early Years grant for equipment	2,928	
<b>Donations from:</b>		
Employee donations	6,000	0
Rugby Ball sponsorship	750	600
Parental donations	-	205
	<u>10,119</u>	<u>19,713</u>

**4. ANALYSIS OF EXPENDITURE**

**(a) Total expenditure year ended 31 August 2022**

	Staff costs (note 6) £	Depreciation (note 7) £	Other £	Total 2022 £	Total 2021 £
<b>Costs of generating funds:</b>					
Financing costs -loan interest	-	-	31,284	31,284	22,343
<b>Charitable expenditure:</b>	£	£	£	£	£
<b>Education and grant making</b>					
Teaching	2,729,680	-	218,976	2,948,656	2,777,295
Welfare	11,564	-	306,793	318,357	278,947
Premises	157,974	216,535	361,796	736,305	708,335
Support costs and governance	339,190	-	284,623	623,813	466,516
<b>Total charitable expenditure</b>	<b>3,238,408</b>	<b>216,535</b>	<b>1,172,188</b>	<b>4,627,131</b>	<b>4,231,093</b>
<b>Total expended</b>	<b>3,238,408</b>	<b>216,535</b>	<b>1,203,472</b>	<b>4,658,415</b>	<b>4,253,436</b>

**Prior Year comparison: Total expenditure to 31 August 2021**

	Staff costs (note 6) £	Depreciation (note 7) £	Other £	Total 2021 £	Total 2020 £
<b>Costs of generating funds:</b>					
Financing costs -loan interest	-	-	22,343	22,343	33,589
<b>Charitable expenditure</b>	£	£	£	£	£
<b>Education and grant making</b>					
Teaching	2,681,313	-	95,982	2,777,295	2,864,160
Welfare	11,743	-	267,204	278,947	242,782
Premises	160,913	193,116	354,306	708,335	683,094
Support costs and governance	282,794	-	183,722	466,516	586,271
<b>Total charitable expenditure</b>	<b>3,136,763</b>	<b>193,116</b>	<b>901,214</b>	<b>4,231,093</b>	<b>4,376,307</b>
<b>Total expended</b>	<b>3,136,763</b>	<b>193,116</b>	<b>923,557</b>	<b>4,253,436</b>	<b>4,409,896</b>

	2022 £	2021 £
<b>(b) Governance included in support costs:</b>		
Remuneration paid to auditor for audit services	12,059	10,829
Other governance costs	-	60
<b>Total governance costs</b>	<u>12,059</u>	<u>10,889</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2022 £	2021 £
Bank Loan interest	<u>31,284</u>	<u>22,343</u>

**6. STAFF COSTS AND RELATED PARTY TRANSACTIONS**

	2022 £	2021 £
The aggregate payroll costs for the year were as follows:		
Wages and salaries	2,522,573	2,447,102
Social security costs	250,965	233,665
Other pension costs	460,496	451,469
Private Health Insurance	<u>4,374</u>	<u>4,527</u>
<b>Total Staff Costs</b>	<u>3,238,408</u>	<u>3,136,763</u>

None of the directors (or any persons connected with them) received any remuneration from Newcastle School for Boys during the year.

Aggregate employee-benefits of key management personnel	<u>490,125</u>	<u>468,136</u>
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	2022	2021
Number of higher paid employees in bands of:		
£60,001 - £70,000	2	2
£80,001 - £90,000	<u>1</u>	<u>1</u>

The number with retirement benefits accruing

- In Defined Contribution schemes was:	1	1
of which the contributions amounted to:	£3,367	£ 3,337
- In Defined Benefit schemes was:	<u>2</u>	<u>2</u>

The average number of the School's employees during the year calculated on a full-time equivalent basis, was 72

(2021: 71). The average number of employees employed during the year was:

	2022	2021
Teaching	64	62
Welfare	2	2
Premises	9	9
Support	12	11
	<u>87</u>	<u>84</u>

Transactions with Related Parties:	£	£
Scholarships awarded to children of directors:	10,684	8,640
Governor's Liability Insurance cost borne by the company:	843	843
Training and expenses borne by the company (8 trustees):	0	60

## 7. TANGIBLE FIXED ASSETS

	Freehold £	Leasehold Improve- ments £	Fixtures, Fittings & Equipment £	Computers £	Total £
<b>Cost or valuation:</b>					
At 1 Sept 2021	9,256,957	37,165	496,184	392,319	10,182,625
Additions	19,539	-	31,353	100,526	151,418
Disposals	-	-	-	-	-
At 31 Aug 2022	9,276,496	37,165	527,537	492,845	10,334,043
<b>Depreciation:</b>					
At 1 Sept 2021	2,128,605	29,732	479,425	329,994	2,967,756
On Disposals	-	-	-	-	-
Charge for Year	160,722	7,433	20,368	28,012	216,535
At 31 Aug 2022	2,289,327	37,165	499,793	358,006	3,184,291
<b>Net Book Value:</b>					
At 31 Aug 2022	6,987,169	-	27,744	134,839	7,149,752
At 1 Sept 2021	7,128,352	7,433	16,759	62,325	7,214,869

Tangible fixed assets with a net book value of £4,705,487 have been pledged as security for liabilities of the charity.

**8. INVESTMENT**

The investment consists of 150 units M&G Charifund stock stated at market value.  
The cost was £173.

**9. DEBTORS**

Amounts falling due within one year:	2022	2021
	£	£
Fee Debtors	26,036	46,415
Prepayments and Accrued Income	147,003	35,558
Sundry Debtors	24,648	8,136
	<u>197,687</u>	<u>90,109</u>

**10. CREDITORS: amounts falling due within one year**

	2022	2021
	£	£
Loan	225,171	225,171
Trade Creditors	183,190	66,621
Fee payments received in Advance	349,398	466,385
Other Creditors	58,314	64,917
Taxation and Social Security	58,812	59,586
Accruals and Deferred income	229,382	85,588
Hire Purchase	9,751	9,932
	<u>1,114,018</u>	<u>978,200</u>

Deferred income totals £128,008 (2021: NIL) and relates to amounts received in advance from parents for school trips.

**11. CREDITORS: amounts falling due after more than one year**

	2022	2021
	£	£
Hire Purchase	9,752	19,503
Loan	1,763,836	1,989,007
	<u>1,773,588</u>	<u>2,008,510</u>

Bank Loan - repaid by equal monthly instalments over a 20-year period which started in July 2011

Amounts falling due:		
In one year or less or on demand	225,171	225,171
Between one and two years	225,171	225,171
Between two and five years	675,512	675,512
In five years or more	863,153	1,088,324
	<u>1,989,007</u>	<u>2,214,178</u>

Interest is charged at 0.86% plus Base Rate and is secured by the following charges:

- Charge over The Grove, Gosforth, Newcastle upon Tyne dated 26/09/2006;
- Charge over Land and Buildings at the junction of The Grove and Moor Road South, Gosforth, Newcastle upon Tyne dated 29/06/2007;
- Charge over 39/41/43 Linden Road and 30 West Avenue, Gosforth, Newcastle upon Tyne dated 29/06/2007;
- Charge over Ascham House, 21 North Avenue, Gosforth, Newcastle upon Tyne dated 16/11/2011.

## 12. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets measured at amortised cost (a)	1,532,083	1,569,600
Financial liabilities measured at fair value	-	-
Financial liabilities measured at amortised cost (b)	<u>(2,828,794)</u>	<u>(2,927,124)</u>
Net financial liabilities	<u>(1,296,711)</u>	<u>(1,357,524)</u>

(a) Financial assets include stock, cash, trade and fee debtors and other debtors

(b) Financial liabilities include deposits, fees in advance, trade creditors, other creditors and bank loans

Impairment losses charged to financial assets measured at amortised cost in the year amounted to £0.

## 13. LEASES

The company has a number of operating leases for computer equipment, minibus and photocopiers. A twenty-year lease of property at 1 Moor Road was signed in February 2016. The first break clause was in Year 5, February 2022. As six months' notice is required to action this break clause, and that date has passed, the next break clause is in Year 10, February 2027. Rents payable up to that break clause are included below. A new lease for photocopiers, signed in February 2022 became operational in April 2022, and is reflected in the table below. A five-year lease for the rental of 51 desktops was signed in June 2021.

A new three-year lease for the rental of laptops for one-to-one use by staff and two pupil year groups was agreed in August 2021 and became operational in September 2021. A second lease for the remaining senior school year groups became operational in April 2022.

The future minimum lease payments under non-cancellable operating leases are committed to be paid in the following periods:

	2022 £	2021 £
In less than one year	136,196	112,193
Between 1 year and 5 years	322,414	365,987
In more than 5 years	-	-
	<u>458,609</u>	<u>478,180</u>

**14. RECONCILIATION OF NET DEBT**

	At 1 Sept 2021	Cashflows	New finance lease	At 31 Aug 2022
	£	£	£	£
Cash	1,512,014	(32,935)	-	1,479,079
Finance Leases	(29,435)	9,931	-	(19,504)
Loans falling due within one year	(225,171)	-	-	(225,171)
Loans falling due after more than one year	(1,989,007)	225,171	-	(1,763,836)
<b>Total</b>	<b>(731,599)</b>	<b>202,167</b>	<b>-</b>	<b>(529,432)</b>

**15. FUNDS OF THE SCHOOL**

The School's funds are analysed under the following headings.

**a) RESTRICTED FUNDS**

The restricted fund relates to a fundraising campaign in which donors can specify whether the funds are to be used for:

- Providing assistance with fees and/or
- For use in capital projects

Once funds have been used for providing Assistance with Fees a transfer is made to the General Fund. Once funds have been used against capital projects, a transfer is made to the Designated Fixed Fund. Restricted funds are held in a separate designated bank account.

**b) UNRESTRICTED FUNDS**

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

The General Fund represents the free funds of the charity which are not designated for particular purposes.

**c) DESIGNATED FUNDS**

The Designated Fixed Asset Fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets that have been purchased using restricted funds but for which the use of the asset, once purchased, is unrestricted.

The depreciation of the Designated Fund assets is transferred to the general reserve each year.

The Designated Capital fund was formed from the accumulated surpluses on historical trips and clubs and will be used to fund capital projects.

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

As at 31 August 2022	Fixed Assets £	Investments £	Net Current Assets/ (Liabilities) £	Long Term Liabilities £	Total £
General Funds:	7,133,996	2,113	270,285	(1,773,588)	5,632,806
Designated Funds:	1,868	-	72,337	-	74,205
Restricted Funds:	13,888	-	222,446	-	236,334
	<u>7,149,752</u>	<u>2,113</u>	<u>565,068</u>	<u>(1,773,588)</u>	<u>5,943,345</u>

As at 31 August 2021	Fixed Assets £	Investments £	Net Current Assets/ (Liabilities) £	Long Term Liabilities £	Total £
General Funds:	7,185,663	2,113	362,556	(2,008,510)	5,541,822
Designated Funds:	15,318	-	723	-	16,041
Restricted Funds:	13,888	-	263,679	-	277,567
	<u>7,214,869</u>	<u>2,113</u>	<u>626,958</u>	<u>(2,008,510)</u>	<u>5,835,430</u>

**17. SUMMARY OF MOVEMENTS ON MAJOR FUNDS**

Current Year	At 1 September 2021 £	Incoming Resources £	Resources Expended £	Reval'n £	Transfers £	At 31 August 2022 £
<b>General Funds:</b>						
General Fund	3,098,599	4,694,716	(4,658,395)	-	54,663	3,189,583
Revaluation Fund	2,442,973	-	-	-	-	2,442,973
Music Prize Fund	250	-	-	-	-	250
<b>Designated Funds:</b>						
Fixed Asset Fund	15,318	-	-	-	(13,450)	1,868
Capital Fund from trips	-	71,614	-	-	-	71,614
Other Fund	723	-	-	-	-	723
<b>Total Unrestricted Funds:</b>	<u>5,557,863</u>	<u>4,766,330</u>	<u>(4,658,395)</u>	<u>-</u>	<u>41,213</u>	<u>5,707,011</u>

<b>Restricted Funds:</b>						
Fundraising - Assistance with Fees	263,469	-	-	-	(41,213)	222,256
Fundraising - Capital Projects	13,888	-	-	-	-	13,888
Fundraising - Assistance with Fees or Capital Projects	90	-	-	-	-	90
Other	120	-	(20)	-	-	100
<b>Total Restricted Fund:</b>	<b>277,567</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>(41,213)</b>	<b>236,334</b>
<b>Total Funds:</b>	<b>5,835,430</b>	<b>4,766,330</b>	<b>(4,658,415)</b>	<b>-</b>	<b>-</b>	<b>5,943,345</b>

<i>Prior Year comparison</i>	<i>At 1 September 2020</i>	<i>Incoming Resources</i>	<i>Resources Expended</i>	<i>Reval'n</i>	<i>Transfers</i>	<i>At 31 August 2021</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>General Funds:</b>						
General Fund	2,939,444	4,366,076	(4,253,416)	-	46,495	3,098,599
Revaluation Fund	2,442,973	-	-	-	-	2,442,973
Music Prize Fund	250	-	-	-	-	250
<b>Designated Funds:</b>						
Fixed Asset Fund	28,769	-	-	-	(13,451)	15,318
Other Fund	723	-	-	-	-	723
<b>Total Unrestricted Funds:</b>	<b>5,412,159</b>	<b>4,366,076</b>	<b>(4,253,416)</b>	<b>-</b>	<b>33,044</b>	<b>5,557,863</b>
<b>Restricted Funds:</b>						
Fundraising - Assistance with Fees	294,549	-	-	-	(31,080)	263,469
Fundraising - Capital Projects	15,852	-	-	-	(1,964)	13,888
Fundraising - Assistance with Fees or Capital Projects	90	-	-	-	-	90
Other	140	-	(20)	-	-	120
<b>Total Restricted Fund:</b>	<b>310,631</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>(33,044)</b>	<b>277,567</b>
<b>Total Funds:</b>	<b>5,722,790</b>	<b>4,366,076</b>	<b>(4,253,436)</b>	<b>-</b>	<b>-</b>	<b>5,835,430</b>

## **18. PENSION SCHEMES**

Retirement benefits to employees of the School are provided through one defined benefit scheme, which are funded by the School's and employees' contributions.

### **Defined benefit scheme - Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £443,932 (2021: £435,707) and at the year-end £50,445 (2021 - £50,154) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

#### **Defined contribution scheme - NOW Pension**

Newcastle School for Boys contribute to the money purchase group personal pension scheme managed by NOW:Pensions. Contributions of 5% were made for the employee and from 3% to 5% for the employer. The employer's contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. The employer's contributions in the year amounted to £16,565 (2021: £15,762). At 31 August 2022 there were £3,242 accrued pension contributions for this scheme (2021: £3,632).