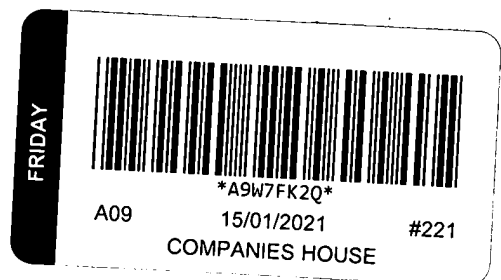


Company Registration No. 08221351 (England and Wales)

NEW SEAHAM ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020



NEW SEAHAM ACADEMY

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NEW SEAHAM ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

E Southwick
T Murphy
K Cuthbertson
J Brady

Trustees

A E Carling (Chair)
M Baker (Vice Chair)
A Bell
B Dolan (Accounting Officer)
S M Bilton
C Wheeldon (Resigned 24 July 2020)
E Southwick
G Scott-Cummings (Appointed 7 January 2020)

Senior management team

- Principal
- Assistant headteacher
- Assistant headteacher

B Dolan
S Bilton
A Richardson

Company secretary

L M Willcock

Company registration number

08221351 (England and Wales)

Registered office

Byron Terrace
Seaham
County Durham
SR7 0HX

Independent auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

Bankers

Lloyds Bank plc
54 Fawcett Street
Sunderland
Tyne & Wear
SR1 1SF

Solicitors

Samuel Phillips
18-24 Grey Street
Newcastle upon Tyne
NE1 6AD

NEW SEAHAM ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

The trust operates an academy for pupils aged 4 to 11 years old serving a catchment area in east Durham. It has a pupil capacity of 266 and had a roll of 260 in the school census on 4 October 2020.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of New Seaham Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during 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.

Trustees' indemnities

Each trustee 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 judgement 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.

Method of recruitment and appointment or election of trustees

The members and trustees of the academy were nominated by the governing body of the predecessor school, New Seaham Primary School.

In accordance with Article 50 of the Memorandum and Articles the Board of Trustees is appointed in the following way:

- Members may appoint up to 2 trustees
- Members may appoint staff governors through such process as they determine, provided that the total number of trustees, including the Principal, who are employees of the academy trust does not exceed one third of the total number of trustees. This will be done through election to the post.
- Parent trustees shall be elected by parents of registered pupils at the academy
- Trustees may appoint up to two co-opted trustees
- Additional trustees if appointed under articles 60, 62, 62A, 63 of the memorandum and Articles.

Policies and procedures adopted for the induction and training of trustees

The training and induction of trustees is dependent on their experience and skills. All new trustees are given a tour of the academy, and can speak at length with the Principal and Chair, are given access to all relevant policies and documents pertinent to their role as trustees in order for them to be fully familiar with the needs of the academy and discharge their duties effectively. Specific Link Trustees such as Safeguarding, Safer Recruitment or SEND shall have appropriate training/experience.

NEW SEAHAM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The academy trust consists of two levels, the Members and the trustees.

All are responsible in ensuring that the Board of Trustees fulfils its statutory obligations in a manner which will allow the academy to fulfil its aims. They ensure that the Board of Trustees conduct the business of the academy in an effective and efficient manner allowing the academy to fulfil its objectives.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making effective decisions about the direction of the academy, capital expenditure and senior staff appointments and remuneration/salaries for senior staff.

The Board of Trustees has delegated to the Principal the day to day running of the academy, staff appointments (except that of Principal and Vice Principal), management and development of staff, curriculum and resources deployment (subject to the remit of the Finance Committee). The Principal is Accounting Officer and the Finance Team manage the day to day spending of the academy (subject to exceptions outlined in the Finance Handbook adopted by the Board of Trustees).

Arrangements for setting pay and remuneration of key management personnel

The setting of salary ranges and remuneration of staff on the Leadership scale is outlined in the Academy's Pay Policy as reviewed annually. Trustees have set current ranges for staff on the Leadership scale based broadly on the STPC document as reviewed from time to time and current market factors including any relevant retention factors. Salaries on the leadership scale are performance based. The same robustness, fairness and transparency as applies to teacher's performance related pay decisions will be applied to the staff on the Leadership scale with the same requirement of performance evidence. Transparency as applies to teacher's performance related pay decisions, will be applied to staff on the Leadership scale with the same requirement of performance evidence. The Board of Trustees will decide on the range and final point as appropriate and as from time to time, taking into account performance.

Related parties and other connected charities and organisations

The academy does not work in federation with any other organisations but develops relationships with other schools and other businesses where these assist in the achievement of the academy's objectives.

Objectives and activities

Objects and aims

The academy has a relentless focus on improving outcomes for all pupils in the academic and pastoral fields.

Maintaining the outstanding standards and achievement is always a major objective of the academy.

The principal objective and activity of the charitable trust, in accordance with the Articles of Association, is the development maintenance and operation of New Seaham Academy to provide a broad, enriched and balanced education for pupils between the ages of 4 and 11.

Underlying this principal objective is a number of other objectives which assist academy staff in fulfilling the principal objective:

- Provide a creative and dynamic curriculum for all pupils, both in and beyond the classroom
- To provide an outstanding stimulating learning environment
- To maintain the highest quality of teaching
- Nurture confident, independent learners
- Support and challenge all groups of pupils to achieve the highest standards
- Equip pupils with all the necessary skills to enable them to flourish as responsible individuals in modern Britain and an ever-changing global community.

NEW SEAHAM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, strategies and activities

This year focus will be on:

- Maintaining the outstanding progress all groups of pupils make throughout the school
- Maintaining outstanding teaching overtime
- Delivering an effective Recovery Curriculum in light of Covid 19 school closure

The academy's School Development Plan outlines in detail the improvement activities to be conducted in order to achieve the above aims. It includes continued training for NETs so their teaching is highly effective through a comprehensive programme of support and development. Rigorous monitoring of the progress of all groups of pupils on a termly basis will be conducted in order ensure they make good progress.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The school premises are used in an extended school day for all pupils to benefit from an extensive enrichment for all programme based on the needs of our pupils. Diverse and comprehensive holiday activities are offered throughout the year.

Strategic report

Achievements and performance

Achievements and performance- due to Covid 19 school closure, no 2020 published performance data

All elements of the academy's work was graded outstanding by the external School Accountability Consultant in the annual report to Trustees June 2020.

In addition, other innovative aspects of the schools work including outdoor learning, the use of new technologies, music and the performing arts, combine powerfully to ensure an exemplary education is provided at the academy for all pupils.

The Principal of the Academy is a National Leader of Education and an experienced external Pupil Premium Reviewer and the school is a National Support School. As such, the school supports other less well performing schools in the region and has an excellent proven track record of bringing about improvement in the schools we support. The Principal supported the leadership of two schools in a neighbouring local authority in the 2019-2020 school year under the NLE support programme and conducted other teachers developed middle leaders in another school in Durham

Going concern

After making appropriate enquiries, the board of trustees 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.

Financial review

Most of the academy's income is received from the ESFA in the form of recurrent grants, the use of which are restricted to particular purposes. The grants received during the period ending 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 18. Details of all grants and income received can be found in note 3 - 6.

During the period ended 31 August 2020 expenditure amounting to £1,222,110 (including depreciation) was incurred or accrued. This was offset entirely by grants receivable from the ESFA, local authority grants and other funds.

NEW SEAHAM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The academy does not invest any monies at this period of time. Impact of COVID19 – additional expenditure of £8,483 due to enhanced cleaning arrangements and sanitising as per governments guidelines and the academies risk assessment for COVID19. Additional expenditure was incurred on deployment of supply teachers due to clinically vulnerable teachers working from home during the period of lockdown.

Reserves policy

Trustees will review the levels of reserves of the academy in the Autumn term and agree that the academy should hold a prudent but realistic level of reserves designed to meet the long-term needs and any unforeseen contingencies.

It was agreed that the Academy should have a medium term target to build up a level of reserve (both restricted, i.e. GAG, and unrestricted) which equated to approximately one month's working capital. It was acknowledged that it may take up to 5 years to achieve this target.

The academy's current level of reserves as of 31 August 2020 is £193,793.

Investment policy

The Board of Trustees does not have at this moment in time an Investment Policy as it has not currently identified any medium or long term surplus funds for investment. The intention is to spend all monies on the pupils currently in school to improve outcomes. However, Trustees monitor this regularly and if such funds are identified in the future, trustees will ensure a formal Investment Policy is in place.

Principal risks and uncertainties

The academy has a robust system of risk management which is evaluated and reviewed annually by the Finance Committee. No major risks have been identified, and any minor issues which may arise are dealt with swiftly.

Trustees are resolute in monitoring risk processes and review this issue regularly. Trustees do not anticipate a reduction in pupil numbers for the foreseeable future which could have impacted on funding available.

However, in order to be robust in managing potential risks, the academy has:

- Ensured staff insurance policy covers any possible long-term staff absences such as maternity leaves etc to mitigate any financial risk.
- Ensures adequate and appropriate insurance is in place for aspects of the academy's work
- Given the age of the building, the academy has bought into a competitive Service Level Agreement to monitor the maintenance of the building and avoid potential expensive repairs.
- Scoped out a comprehensive COVID19 risk assessment as per government guidelines, Health and Safety advice and education unions advice. This risk assessment was reviewed weekly during lockdown and approved by the Board of Trustees.

Financial and risk management objectives and policies

Trustees recognise that the LGPS pension deficit, which is set out in note 18 represents a significant liability. However, trustees are confident that the academy can meet its liabilities in respect of paying its annual contributions for the foreseeable future, therefore the risk from this is minimised.

Fundraising

New Seaham Academy is a school and therefore follows all fundraising policies of charities when raising money.

NEW SEAHAM ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

The academy's School Development Plan has identified the following priorities for this school year:

- Ensure outstanding standards and achievement are maintained in all Key Stages so that all performance indicators are outstanding
- Maintain outstanding judgement on the quality of teaching
- Deliver an effective recovery curriculum in light of school closure due to Covid 19

All of the above main priorities have detailed action plans on how we intend to achieve them - see School Development Plan 2020-2021.

Auditor

In so far as the trustees are aware:

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

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 31/7/21 and signed on its behalf by:


A E Carling
Chair

NEW SEAHAM ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that New Seaham Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. As Trustees, we have reviewed and taken account of the guidance in the DfE's Governance Handbook and Competency Framework for Governance.

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between New Seaham Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control. The full Board of Trustees meets three times a year. However, it has ensured that all documentation and discussions in meetings of the Finance Committee which meets regularly are duly shared and discussed by all trustees and thus maintains effective oversight of funds.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The governance of the academy comprises of a Board of Trustees and a Finance Committee which also acts as the Audit Committee. The Board of Trustees usually meets 3 times a year formally. However, because of the lockdown these meetings were less this year and an Annual General Meeting is held once a year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A E Carling (Chair)	2	2
M Baker (Vice Chair)	1	2
A Bell	1	2
B Dolan (Accounting Officer)	2	2
S M Bilton	1	2
C Wheeldon (Resigned 24 July 2020)	1	2
E Southwick	1	2
G Scott-Cummings (Appointed 7 January 2020)	1	2

A comprehensive self-review of trustees was conducted on 22 October 2019. Trustees were satisfied that the skills set of trustees were appropriate for the needs of the academy covering a range of financial, educational and other fields. However, it was resolved to seek to appoint another trustee to strengthen the Board and G Scott was appointed in January 2020. Effective oversight of funds was ensured by disseminating all finance meeting documents and minutes to all Trustees on a regular basis. This was done because the full Board of Trustees met less than 6 times a year and Trustees agreed to the dissemination of all documents and information electronically throughout the year.

Finance Committee

This committee is a sub committee of the Board of Trustees. Its remit is also as the Audit Committee and to make decisions related to all financial matters of the academy which includes staffing, resources and premises. It also has an integral role in monitoring the effectiveness of spending, value for money and monitors the progress of the academy budget from information supplied by the Principal and others. It drafts and approves annual budgets for the Board of Trustees and as it has delegated powers, minutes from this committee are received by the Board of Trustees at subsequent meetings. It considers all premises related issues and makes decisions on remuneration for staff of the school including the Principal. It ensures compliance with the funding agreement on behalf of the academy as well as with the Finance Handbook. It receives reports on internal assurance activities conducted termly by the external auditors. An additional Finance Trustee was appointed this year- G Scott, January 2020.

NEW SEAHAM ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Because of the lockdown the Finance committee, which normally meets at least 3 times a school year, met twice this school year and the attendance at those meetings is as follows:

Trustees	Meetings attended	Out of possible
A E Carling (Chair)	2	2
B Dolan (Accounting Officer)	2	2
S M Bilton	0	2
E Southwick	1	2
G Scott-Cummings (Appointed 7 January 2020)	1	1

Review of value for money

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

- Maintaining outstanding outcomes for all groups of pupils by using resources with probity and sound financial strategic planning to enable appropriate intervention work to be highly effective.
- The use of Pupil Premium at New Seaham Academy has impacted favourably on vulnerable pupils who may be at risk of underachievement. End of Spring term assessment 2020 indicate that those groups of pupils achieved highly, better than the national average for all pupils
- Value Added indicators as evidenced in 2019 Performance Tables indicated the New Seaham Academy was in at least the top 10% of schools nationally for attainment and progress and ranked number one nationally for similar schools
- The average teacher salary costs at New Seaham Academy are well below the national average for schools- see DFE Performance Tables- and we have consistently sustained outstanding outcomes for pupils proving excellent value for money.
- Funds have been targeted efficiently to provide all pupils with a wide range of enrichment activities as a result of taking advantage of academy freedoms to change the structure of the school day and terms to maximise educational opportunities for our pupils.
- The Principal has been accredited as a National Leader of Education and the school a National Support School. We regularly support other schools in challenging circumstances or in an Ofsted category to improve.
- The Financial governance of the Trust has meant that not only have we functioned within the budget but have been able to accrue significant carry forward to next years budget.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in New Seaham Academy for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

NEW SEAHAM ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Capacity to handle risk

The board of trustees 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 trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

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 board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Azets Audit Services, the external auditor, to perform additional checks.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities including:

- Testing of payroll systems
- Testing of Purchasing system
- Testing of control account/bank reconciliations
- Testing of risk management systems
- Testing of Corporate Governance in relation to reporting/recording financial matters

The external auditor has delivered their reports termly in accordance with the agreed schedule of works and where low risks or medium risks have been identified, the Board of Trustees has acted swiftly to rectify them or decided to absorb the low risk if not operationally feasible. No high risk concern have been identified to date. In order to comply with the changes required for separate internal/external audit, the Trustees have appointed a different internal audit company, JGT internal audit. JGT will conduct termly internal audits from September 2020.

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

NEW SEAHAM ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses if appropriate and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 7.1.21 and signed on its behalf by:



A E Carling
Chair



B Dolan
Accounting Officer

NEW SEAHAM ACADEMY

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

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

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

B Dolan
Accounting Officer



7/1/21

NEW SEAHAM ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 2.1.21 and signed on its behalf by:



A E Carling
Chair

NEW SEAHAM ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW SEAHAM ACADEMY

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

NEW SEAHAM ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW SEAHAM ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

NEW SEAHAM ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW SEAHAM ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

Azets Audit Services

**Joanne Regan FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

Statutory Auditor

11 January 2021

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

NEW SEAHAM ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEW SEAHAM ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 18 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by New Seaham Academy during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of New Seaham Academy's funding agreement with the Secretary of State for Education dated 1 October 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

NEW SEAHAM ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEW SEAHAM ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated: *11 January 2021*

NEW SEAHAM ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	-	-	6,948	18,368
Charitable activities:					
- Funding for educational operations	4	56,491	1,148,964	-	1,205,455
Other trading activities	5	13,856	-	-	13,856
Investments	6	534	-	-	534
Total		70,881	1,148,964	6,948	1,226,793
Expenditure on:					
Raising funds	7	12,327	-	-	12,327
Charitable activities:					
- Educational operations	8	31,304	1,142,815	70,664	1,244,783
Total	7	43,631	1,142,815	70,664	1,257,110
Net income/(expenditure)		27,250	6,149	(63,716)	(30,317)
Transfers between funds	16	-	(744)	744	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	4,000	-	4,000
Net movement in funds		27,250	9,405	(62,972)	(26,317)
Reconciliation of funds					
Total funds brought forward		50,732	(139,594)	2,029,542	1,940,680
Total funds carried forward		77,982	(130,189)	1,966,570	1,914,363

NEW SEAHAM ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Income and endowments from:					
Donations and capital grants	3	95	-	18,273	18,368
Charitable activities:					
- Funding for educational operations	4	28,176	1,115,837	-	1,144,013
Other trading activities	5	27,445	-	-	27,445
Investments	6	118	-	-	118
Total		55,834	1,115,837	18,273	1,189,944
Expenditure on:					
Raising funds	7	18,177	-	-	18,177
Charitable activities:					
- Educational operations	8	23,257	1,093,435	65,974	1,182,666
Total	7	41,434	1,093,435	65,974	1,200,843
Net income/(expenditure)		14,400	22,402	(47,701)	(10,899)
Transfers between funds	16	-	(32,500)	32,500	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(36,000)	-	(36,000)
Net movement in funds		14,400	(46,098)	(15,201)	(46,899)
Reconciliation of funds					
Total funds brought forward		36,332	(93,496)	2,044,743	1,987,579
Total funds carried forward		50,732	(139,594)	2,029,542	1,940,680


NEW SEAHAM ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	12	1,966,570	2,029,542
Current assets			
Debtors	13	19,708	34,329
Cash at bank and in hand		257,345	198,975
		<u>277,053</u>	<u>233,304</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(83,260)	(107,166)
Net current assets		<u>193,793</u>	<u>126,138</u>
Net assets excluding pension liability		<u>2,160,363</u>	<u>2,155,680</u>
Defined benefit pension scheme liability	18	(246,000)	(215,000)
Total net assets		<u>1,914,363</u>	<u>1,940,680</u>
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		1,966,570	2,029,542
- Restricted income funds		115,811	75,406
- Pension reserve		(246,000)	(215,000)
Total restricted funds		<u>1,836,381</u>	<u>1,889,948</u>
Unrestricted income funds	16	<u>77,982</u>	<u>50,732</u>
Total funds		<u>1,914,363</u>	<u>1,940,680</u>

The accounts on pages 18 to 39 were approved by the trustees and authorised for issue on 7/1/21 and are signed on their behalf by:



 A E Carling
 Chair

Company Number 08221351

NEW SEAHAM ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	19		58,580		(18,099)
Cash flows from investing activities					
Dividends, interest and rents from investments		534		118	
Capital grants from DfE Group		6,948		18,273	
Purchase of tangible fixed assets		(7,692)		(50,773)	
Net cash used in investing activities			(210)		(32,382)
Net increase/(decrease) in cash and cash equivalents in the reporting period			58,370		(50,481)
Cash and cash equivalents at beginning of the year			198,975		249,456
Cash and cash equivalents at end of the year			257,345		198,975

NEW SEAHAM ACADEMY

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

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

NEW SEAHAM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

NEW SEAHAM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

Land and buildings	over 50 years
Computer equipment	over 3 years
Fixtures, fittings & equipment	over 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

NEW SEAHAM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.10 Pensions benefits

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

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

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

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

NEW SEAHAM ACADEMY

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

2 Critical accounting estimates and areas of judgement

(Continued)

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

McCloud

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

GMP

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

Land and buildings

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	6,948	6,948	18,273
Other donations	-	-	-	95
	<u>-</u>	<u>6,948</u>	<u>6,948</u>	<u>18,368</u>

NEW SEAHAM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	998,477	998,477	994,145
Other DfE group grants	-	150,487	150,487	115,092
	-	1,148,964	1,148,964	1,109,237
Other funding				
Catering income	14,618	-	14,618	21,566
Other incoming resources	41,873	-	41,873	13,210
	56,491	-	56,491	34,776
Total funding	56,491	1,148,964	1,205,455	1,144,013

Other DfE group grants includes the following:

	Total 2020 £	Total 2019 £
Pupil premium	43,064	43,980
UIFSM	42,164	44,815
PE and sports grant	18,250	18,250
Teachers pay grant	12,288	8,047
Teachers pension grant	34,721	-
	150,487	115,092

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Uniform	6,875	-	6,875	12,268
Trips	1,812	-	1,812	8,573
Clubs	1,050	-	1,050	1,487
Other income	4,119	-	4,119	5,117
	13,856	-	13,856	27,445

NEW SEAHAM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	534	-	534	118

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	-	-	12,327	12,327	18,177
Academy's educational operations					
- Direct costs	747,744	-	73,784	821,528	776,445
- Allocated support costs	145,918	171,596	105,741	423,255	406,221
	893,662	171,596	191,852	1,257,110	1,200,843

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	6,800	6,500
- Other services	4,300	4,250
Operating lease rentals	1,125	896
Depreciation of tangible fixed assets	70,664	65,974
Net interest on defined benefit pension liability	3,000	4,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	15,714	805,814	821,528	776,445
Support costs				
Educational operations	15,590	407,665	423,255	406,221
	31,304	1,213,479	1,244,783	1,182,666

NEW SEAHAM ACADEMY

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

8 Charitable activities

(Continued)

	2020 £	2019 £
Analysis of support costs		
Support staff costs	145,918	130,562
Depreciation	70,664	65,974
Premises costs	100,932	83,673
Legal costs	2,766	2,930
Other support costs	75,495	109,152
Governance costs	27,480	13,930
	<u>423,255</u>	<u>406,221</u>

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	618,292	625,533
Social security costs	59,868	56,718
Pension costs	163,789	127,317
Staff costs - employees	<u>841,949</u>	<u>809,568</u>
Agency staff costs	51,713	25,333
	<u>893,662</u>	<u>834,901</u>
Staff development and other staff costs	7,668	10,487
Total staff expenditure	<u>901,330</u>	<u>845,388</u>

Staff numbers

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

	2020 Number	2019 Number
Teachers	9	11
Administration and support	14	16
Management	1	1
	<u>24</u>	<u>28</u>

NEW SEAHAM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

Higher paid staff

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

	2020 Number	2019 Number
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1

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 national insurance and pension contributions) received by key management personnel for their services to the academy trust was £263,098 (2019: £305,625).

10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

Mrs B Dolan (headteacher and trustee):

Remuneration	£90,001 - £95,000 (2019: £100,001 - £105,000)
Employer's pension contributions	£20,001 - £25,000 (2019: £10,001 - £15,000)

Mr S Bilton (staff governor)

Remuneration	£45,001 - £50,000 (2019: £45,001 - £50,000)
Employer's pension contributions	£10,001 - £50,000 (2019: £5,001 - £10,000)

Other related party transactions involving the trustees are set out within the related parties note.

During the period ended 31 August 2020, travel and subsistence expenses totalling £237 were reimbursed or paid directly to the headteacher in performing her role (2019: £nil).

11 Insurance for trustees and officers

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2020 was £767 (2019: £819).

NEW SEAHAM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	2,139,110	130,974	101,598	2,371,682
Additions	-	6,322	1,370	7,692
At 31 August 2020	2,139,110	137,296	102,968	2,379,374
Depreciation				
At 1 September 2019	176,713	80,563	84,864	342,140
Charge for the year	37,763	26,946	5,955	70,664
At 31 August 2020	214,476	107,509	90,819	412,804
Net book value				
At 31 August 2020	1,924,634	29,787	12,149	1,966,570
At 31 August 2019	1,962,397	50,411	16,734	2,029,542

Leasehold land and buildings were valued on a depreciated replacement cost basis as at 31 March 2013 by Mouchel on behalf of the Education and Skills Funding Agency.

13 Debtors

	2020 £	2019 £
Trade debtors	2,500	3,000
VAT recoverable	3,447	15,139
Prepayments and accrued income	13,761	16,190
	19,708	34,329

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	10,895	22,772
Other taxation and social security	14,244	15,055
Other creditors	15,100	12,356
Accruals and deferred income	43,021	56,983
	83,260	107,166

NEW SEAHAM ACADEMY

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

15 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	27,531	27,820
Deferred income at 1 September 2019	27,820	28,200
Released from previous years	(27,820)	(28,200)
Resources deferred in the year	27,531	27,820
Deferred income at 31 August 2020	27,531	27,820

At the year end date monies were held in advance for Universal Infants Free School Meals and rates relief for 2020/21.

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	75,406	998,477	(957,328)	(744)	115,811
Other DfE / ESFA grants	-	150,487	(150,487)	-	-
Pension reserve	(215,000)	-	(35,000)	4,000	(246,000)
	<u>(139,594)</u>	<u>1,148,964</u>	<u>(1,142,815)</u>	<u>3,256</u>	<u>(130,189)</u>
Restricted fixed asset funds					
Inherited on conversion	1,264,314	-	(23,520)	-	1,240,794
DfE group capital grants	346,591	6,948	(8,436)	-	345,103
Capital expenditure from GAG	418,637	-	(38,708)	744	380,673
	<u>2,029,542</u>	<u>6,948</u>	<u>(70,664)</u>	<u>744</u>	<u>1,966,570</u>
Total restricted funds	<u>1,889,948</u>	<u>1,155,912</u>	<u>(1,213,479)</u>	<u>4,000</u>	<u>1,836,381</u>
Unrestricted funds					
General funds	50,732	70,881	(43,631)	-	77,982
Total funds	<u>1,940,680</u>	<u>1,226,793</u>	<u>(1,257,110)</u>	<u>4,000</u>	<u>1,914,363</u>

NEW SEAHAM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

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

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

Other DfE/ESFA grants includes pupil premium, PE and sports grant, free school meals, teachers pay and teachers pension grant.

Other restricted funds includes school to school support fund.

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

The gross transfer between the restricted general fund and the restricted fixed asset fund represents expenditure from GAG on capital items during the year.

DfE/ESFA capital grants consist of the devolved capital grant of £6,948 which has been fully spent in year.

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

Unrestricted funds may be used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

The academy's general restricted and unrestricted funds total £193,793 at 31 August 2020.

NEW SEAHAM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	50,027	994,145	(936,266)	(32,500)	75,406
Other DfE / ESFA grants	-	115,092	(115,092)	-	-
Other restricted funds	6,477	6,600	(13,077)	-	-
Pension reserve	(150,000)	-	(29,000)	(36,000)	(215,000)
	<u>(93,496)</u>	<u>1,115,837</u>	<u>(1,093,435)</u>	<u>(68,500)</u>	<u>(139,594)</u>
Restricted fixed asset funds					
Transfer on conversion	1,287,834	-	(23,520)	-	1,264,314
DfE group capital grants	347,794	18,273	(19,476)	-	346,591
Capital expenditure from GAG	409,115	-	(22,978)	32,500	418,637
	<u>2,044,743</u>	<u>18,273</u>	<u>(65,974)</u>	<u>32,500</u>	<u>2,029,542</u>
Total restricted funds	<u>1,951,247</u>	<u>1,134,110</u>	<u>(1,159,409)</u>	<u>(36,000)</u>	<u>1,889,948</u>
Unrestricted funds					
General funds	<u>36,332</u>	<u>55,834</u>	<u>(41,434)</u>	<u>-</u>	<u>50,732</u>
Total funds	<u>1,987,579</u>	<u>1,189,944</u>	<u>(1,200,843)</u>	<u>(36,000)</u>	<u>1,940,680</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	1,966,570	1,966,570
Current assets	77,982	199,071	-	277,053
Creditors falling due within one year	-	(83,260)	-	(83,260)
Defined benefit pension liability	-	(246,000)	-	(246,000)
Total net assets	<u>77,982</u>	<u>(130,189)</u>	<u>1,966,570</u>	<u>1,914,363</u>

NEW SEAHAM ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	2,029,542	2,029,542
Current assets	67,617	165,687	-	233,304
Creditors falling due within one year	(16,885)	(90,281)	-	(107,166)
Defined benefit pension liability	-	(215,000)	-	(215,000)
Total net assets	50,732	(139,594)	2,029,542	1,940,680

18 Pension and similar obligations

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

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

Contributions amounting to £15,096 (2019: £12,352) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

NEW SEAHAM ACADEMY

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

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £97,545 (2019: £70,221).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.6% for employers and 5.5 - 12.5% for employees.

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

Total contributions made	2020 £	2019 £
Employer's contributions	31,000	34,000
Employees' contributions	8,000	7,000
Total contributions	39,000	41,000

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.4	3.7
Rate of increase for pensions in payment/inflation	2.4	2.2
Discount rate for scheme liabilities	1.6	1.8
Inflation assumption (CPI)	2.4	2.2

NEW SEAHAM ACADEMY

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

18 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	22.2	22.3
- Females	24.2	23.8
Retiring in 20 years		
- Males	23.2	24.0
- Females	25.7	25.7

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

	2020 £	2019 £
Discount rate + 0.1%	521,000	438,000
Discount rate - 0.1%	542,000	452,000
Mortality assumption + 1 year	511,000	430,000
Mortality assumption - 1 year	551,000	461,000
CPI rate + 0.1%	531,000	450,000
CPI rate - 0.1%	531,000	440,000

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

	2020 Fair value £	2019 Fair value £
Equities	141,000	115,920
Government bonds	68,000	59,110
Corporate bonds	42,000	26,910
Cash	14,000	11,500
Property	20,000	16,560
Total market value of assets	285,000	230,000

The actual return on scheme assets was £9,000 (2019: £21,000).

Amount recognised in the Statement of Financial Activities

	2020 £	2019 £
Current service cost	63,000	42,000
Past service cost	-	17,000
Interest income	(5,000)	(5,000)
Interest cost	8,000	9,000
Total operating charge	66,000	63,000

NEW SEAHAM ACADEMY

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

18 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2020 £	2019 £
At 1 September 2019	445,000	324,000
Current service cost	63,000	42,000
Interest cost	8,000	9,000
Employee contributions	8,000	7,000
Actuarial (gain)/loss	-	52,000
Benefits paid	7,000	(6,000)
Past service cost	-	17,000
At 31 August 2020	531,000	445,000

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

	2020 £	2019 £
At 1 September 2019	230,000	174,000
Interest income	5,000	5,000
Actuarial gain	4,000	16,000
Employer contributions	31,000	34,000
Employee contributions	8,000	7,000
Benefits paid	7,000	(6,000)
At 31 August 2020	285,000	230,000

19 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(30,317)	(10,899)
Adjusted for:		
Capital grants from DfE and other capital income	(6,948)	(18,273)
Investment income receivable	(534)	(118)
Defined benefit pension costs less contributions payable	32,000	25,000
Defined benefit pension scheme finance cost	3,000	4,000
Depreciation of tangible fixed assets	70,664	65,974
Decrease in debtors	14,621	25,221
(Decrease) in creditors	(23,906)	(109,004)
Net cash provided by/(used in) operating activities	58,580	(18,099)

NEW SEAHAM ACADEMY

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

20 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	198,975	58,370	257,345

21 Commitments under operating leases

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

	2020 £	2019 £
Amounts due within one year	1,746	2,646
Amounts due in two and five years	-	1,746
	1,746	4,392

22 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The trust employed A Abadi during the period. A Abadi is the son of B Dolan (accounting officer). This individual was appointed by the predecessor school and proper appointment procedures were followed. B Dolan had no influence over the appointment. A Abadi is paid in line with standard teachers' pay scales guidelines.

23 Members' liability

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