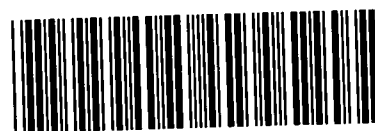


Company registration number 08221351 (England and Wales)

**NEW SEAHAM ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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# **NEW SEAHAM ACADEMY**

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# NEW SEAHAM ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	E Southwick T Murphy J Barrigan
<b>Trustees</b>	A E Carling (Chair) B Dolan (Accounting Officer) E Southwick M Baker (Vice Chair) G Scott-Cummings S Brown P D Cutts (Appointed 1 September 2021) S Dickinson A Richardson K Cuthbertson
<b>Senior management team</b> - Principal - Assistant headteacher - Assistant headteacher	B Dolan S Bilton A Richardson
<b>Company secretary</b>	L M Willcock
<b>Company registration number</b>	08221351 (England and Wales)
<b>Registered office</b>	Byron Terrace Seaham County Durham SR7 0HX United Kingdom
<b>Independent auditor</b>	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard TS22 5TB United Kingdom
<b>Bankers</b>	Lloyds Bank plc 54 Fawcett Street Sunderland Tyne & Wear SR1 1SF United Kingdom
<b>Solicitors</b>	Durham County Council County Hall Durham County Durham DH1 5UE United Kingdom

# **NEW SEAHAM ACADEMY**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. 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 246 in the school census on 7 October 2021.

#### **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 2022**

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#### 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 2022

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#### Objectives, strategies and activities

This year focus will be on:

- Maintaining the outstanding progress all groups of pupils make throughout the school through a highly effective Quality of Education
- Maintaining outstanding teaching overtime through implementing a highly effective Quality of Education
- New foundation subject leads to have significant impact on outcomes in their subjects and implement the extensive professional development effectively to ensure a high quality curriculum across all subjects
- PP Strategy to impact very positively on disadvantaged pupils making at least 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. Beyond the extended school day, after school clubs are run by external providers in Karate and Dodgeball, and school staff run a Youth Club and a Band Practice for More Able and Talented musicians.

## Strategic report

### **Achievements and performance**

End of Reception- July 2022 GLD 86%- well above national,

Phonics Screen- Autumn 2021 95% pass- well above average, Phonics Screen June 2022 94%- significantly above national average, and in highest 20% of all schools 2022

End of KS1 Statutory assessment 2022- Maths 79% expected(NA 68%), Reading 79% expected (NA 67%) Writing 71% expected(NA 58%)

First Published Test Results since 2019

KS2 SATS 2022- KS2 Reading, Writing and Maths combined was significantly above national average

Reading 84% exp- (NA 74%), Writing 87% exp(NA69%), Maths 84% exp (NA79%)

EGPS was significantly above national average

Key stage 2 attainment of the expected standard (100+) in reading, writing and mathematics (79%) was significantly **above** national and in the **highest** 20% in 2022..

Key stage 2 attainment of the expected standard (100+) in the English grammar, punctuation and spelling test(89%) and the high standard (110+) in the English grammar, punctuation and spelling test (46%) was significantly **above** national and in the **highest** 20% in 2022.

Attendance- whole school 95%

School stability was 94, well above average and has been over time

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 has been successful in applying for a re designation as an NLE under the new DfE framework.

#### 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 obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

# **NEW SEAHAM ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2022, total expenditure of £1,392,085 including actuarial gains, restricted fixed asset funds and depreciation was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources of £1,302,644. The surplus for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds and depreciation) was £11,765. All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2022 the net book value of fixed assets was £1,840,316 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £109,000 recognised on the Balance Sheet. The academy held fund balances at 31 August 2022 of £1,937,496 comprising £1,844,154 of restricted funds (including £1,845,526 of restricted fixed asset funds and a pension deficit of £109,000) and £93,342 of unrestricted funds.

#### 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 2022 is £200,970 which is above the medium term target of one months working capital. The Trust's actual outturn for 2021/2022 was more favourable than projected. The academy intends to hold reserves above one months capital to be risk averse in light of current financial pressures on schools relating to unfunded staff pay awards and energy costs increases. It is anticipated that reserves will have to be used to set future budgets in light of this with the projected decrease in pupil numbers over the next few years.

#### 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 principal risks and uncertainties are centred on changes in the level of funding from DfE/EFSA. The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

The academy has a robust system of risk management which is evaluated and reviewed annually by the Finance Committee. Risks have been identified for future years centred around the decline in pupil numbers due to local demographics, unfunded staff pay awards and increase in energy costs.

# NEW SEAHAM ACADEMY

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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Trustees are resolute in monitoring risk processes and review this issue regularly.

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.

### 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. Other risks are likely to come from unfunded pay awards, additional energy costs etc.

### **Fundraising**

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

### **Plans for future periods**

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

### **Main Priorities for 2022-2023**

1. Quality of Education: Impact
  - Achieve targets set for the end of each key stage
  - Ensure pupils make exemplary progress from their starting points to secure significantly high standards by the end of Year 6
2. Quality of Education: Implementation
  - Teaching across the school to be outstanding overall and never less than consistently good-July 2023
  - Support newly experienced teacher through a targeted professional development programme
3. Leadership and Management
  - Achieve external validation of QoE in Science and PE by achieving PSQM and School Games Mark

### **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 12.12.22 and signed on its behalf by:



.....  
A E Carling  
Chair



# NEW SEAHAM ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

---

### 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)	3	3
B Dolan (Accounting Officer)	3	3
E Southwick	1	3
M Baker (Vice Chair)	3	3
G Scott-Cummings	1	3
S Brown	2	3
P D Cutts (Appointed 1 September 2021)	3	3
S Dickinson	1	3
A Richardson	3	3
K Cuthbertson	2	3

### Conflicts of interest

The Trust manages any potential conflict of interest by avoiding any dealings with trustees or members individual interests. The declarations of interests is updated regularly and reviewed to ensure no such conflict arises. The trust does not have any connected interests with any of the trustees or members.

### Governance reviews

A comprehensive self-review of trustees was conducted on 22 October 2021. 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. 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.

# NEW SEAHAM ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 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 internal auditors.

Finance and Audit committee met three times in 2021-2022 school year and the attendance at those meetings is as follows:

Trustees	Meetings attended	Out of possible
A E Carling (Chair)	2	3
B Dolan (Accounting Officer)	3	3
E Southwick	3	3
G Scott-Cummings	0	3
S Brown	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/ Recovery Premium has impacted favourably on eligible pupils who may be at risk of underachievement. KS2 SATS 2022 indicate that disadvantaged pupils achieved just as well as non disadvantaged pupils.- see IDSR 2022
- Funds have been targeted efficiently to provide all pupils with a wide range of enrichment activities from external providers as part of the overall curriculum offer.
- 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.
- We have also been able to function within the budget with in year surplus figures increasing from what was originally projected
- We have a significant surplus well in excess of the months working capital to be risk averse in light of funding uncertainties
- The trust regularly uses benchmarking information from at least two different sources to monitor value for money. The two benchmarking reports for this year indicate that in the majority of indicators, we are functioning at the same as other comparable schools

# **NEW SEAHAM ACADEMY**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

### **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 2021 to 31 August 2022 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 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 have decided to buy in an internal audit service from JGT auditors, to perform additional checks termly.

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

- Governance
- Financial and Budgetary Control
- Income
- Expenditure

On a termly basis, the auditor reports to the board of trustees, through the Finance and Audit committee on the operation of the systems of control and on the discharge of the Board of trustees financial responsibilities. The internal auditor prepares an annual summary report to the committee outlining areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. JGT Auditors has delivered the scheduled of work as planned and reported that the overall level of Assurance was 'substantial'.

# NEW SEAHAM ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 12.12.22 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 2022**

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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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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

B Dolan  
Accounting Officer



12.12.22

# NEW SEAHAM ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2022**

---

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 2021 to 2022 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:

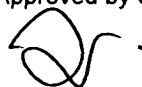
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 .....12.12.22..... 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 2022**

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### **Opinion**

We have audited the accounts of New Seaham Academy for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2021 to 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor'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**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust'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 other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 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 accounts 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.

# **NEW SEAHAM ACADEMY**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- the information given in the 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:

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.



# NEW SEAHAM ACADEMY

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

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**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 senior leadership, Governors/Trustees 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 company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- 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 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.

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

# **NEW SEAHAM ACADEMY**

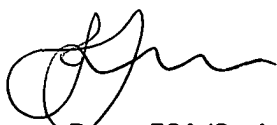
## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW SEAHAM ACADEMY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Use of our report**

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



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

**Statutory Auditor**

*13 December 2022*

Wynyard Park House  
Wynyard Avenue  
Wynyard  
United Kingdom  
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 2022***

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In accordance with the terms of our engagement letter dated 8 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by New Seaham Academy during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# 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 2022**

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The work undertaken to draw to our conclusion includes:

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

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Azets Audit Services*

**Reporting Accountant**

Azets Audit Services

Dated: 13 December 2022

# NEW SEAHAM ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	6,914	6,903
Charitable activities:					
- Funding for educational operations	4	62,642	1,207,241	-	1,269,883
Other trading activities	5	25,810	-	-	25,810
Investments	6	37	-	-	37
<b>Total</b>		<b>88,489</b>	<b>1,207,241</b>	<b>6,914</b>	<b>1,302,644</b>
<b>Expenditure on:</b>					
Raising funds	7	21,238	-	-	21,238
Charitable activities:					
- Educational operations	8	55,642	1,255,085	60,120	1,370,847
<b>Total</b>	<b>7</b>	<b>76,880</b>	<b>1,255,085</b>	<b>60,120</b>	<b>1,392,085</b>
<b>Net income/(expenditure)</b>		<b>11,609</b>	<b>(47,844)</b>	<b>(53,206)</b>	<b>(89,441)</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	197,000	-	197,000
<b>Net movement in funds</b>		<b>11,609</b>	<b>149,156</b>	<b>(53,206)</b>	<b>107,559</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		81,733	(150,528)	1,898,732	1,829,937
Total funds carried forward		93,342	(1,372)	1,845,526	1,937,496

# NEW SEAHAM ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	6,903	6,903
Charitable activities:					
- Funding for educational operations	4	20,269	1,177,315	-	1,197,584
Other trading activities	5	21,993	-	-	21,993
Investments	6	32	-	-	32
<b>Total</b>		<b>42,294</b>	<b>1,177,315</b>	<b>6,903</b>	<b>1,226,512</b>
<b>Expenditure on:</b>					
Raising funds	7	19,073	-	-	19,073
Charitable activities:					
- Educational operations	8	19,470	1,234,394	78,001	1,331,865
<b>Total</b>	<b>7</b>	<b>38,543</b>	<b>1,234,394</b>	<b>78,001</b>	<b>1,350,938</b>
<b>Net income/(expenditure)</b>		<b>3,751</b>	<b>(57,079)</b>	<b>(71,098)</b>	<b>(124,426)</b>
Transfers between funds	17	-	(3,260)	3,260	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	40,000	-	40,000
<b>Net movement in funds</b>		<b>3,751</b>	<b>(20,339)</b>	<b>(67,838)</b>	<b>(84,426)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		77,982	(130,189)	1,966,570	1,914,363
Total funds carried forward		81,733	(150,528)	1,898,732	1,829,937

# NEW SEAHAM ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		1,840,316		1,898,732
<b>Current assets</b>					
Stocks	13	5,223		-	
Debtors	14	31,965		19,002	
Cash at bank and in hand		282,644		268,602	
		319,832		287,604	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(113,652)		(98,399)	
<b>Net current assets</b>			206,180		189,205
<b>Net assets excluding pension liability</b>			2,046,496		2,087,937
Defined benefit pension scheme liability	19		(109,000)		(258,000)
<b>Total net assets</b>			1,937,496		1,829,937
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			1,845,526		1,898,732
- Restricted income funds			107,628		107,472
- Pension reserve			(109,000)		(258,000)
<b>Total restricted funds</b>			1,844,154		1,748,204
<b>Unrestricted income funds</b>	17		93,342		81,733
<b>Total funds</b>			1,937,496		1,829,937

The accounts on pages 19 to 41 were approved by the trustees and authorised for issue on 12.12.22 and are signed on their behalf by:



A E Carling  
Chair

Company registration number 08221351

# NEW SEAHAM ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	20		8,795		14,485
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		37		32	
Capital grants from DfE Group		6,914		6,903	
Purchase of tangible fixed assets		(1,704)		(10,163)	
<b>Net cash provided by/(used in) investing activities</b>			5,247		(3,228)
<b>Net increase in cash and cash equivalents in the reporting period</b>			14,042		11,257
Cash and cash equivalents at beginning of the year			268,602		257,345
<b>Cash and cash equivalents at end of the year</b>			282,644		268,602



# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

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

#### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 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.

The reported share of the LGPS deficit has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

#### 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 2022

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#### 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 £1,000 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 2022

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#### 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:

Leasehold land	over 125 years
Leasehold buildings	over 50 years
Leasehold improvements	over 50 years
Computer equipment	over 3 years
Fixtures, fittings & equipment	over 5 years

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.

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

#### 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 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### 1.10 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.

##### 1.11 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.

##### 1.12 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.

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 2 Critical accounting estimates and areas of judgement

(Continued)

#### Critical accounting estimates and assumptions

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

#### Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 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 land and buildings are valued on the basis of valuations provided by the ESFA.

#### Depreciation

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	6,914	6,914	6,903
	=====	=====	=====	=====

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	1,086,800	1,086,800	999,256
Other DfE/ESFA grants:				
- UIFSM	-	39,164	39,164	42,237
- Pupil premium	-	38,014	38,014	36,694
- PE and sports premium	-	18,230	18,230	18,200
- Rates	-	4,736	4,736	5,129
- Teachers pension grant	-	-	-	34,467
- Teachers pay grant	-	-	-	12,197
- Others	-	19,024	19,024	25,622
	-	1,205,968	1,205,968	1,173,802
<b>Other government grants</b>				
Local authority grants	-	1,273	1,273	-
<b>COVID-19 additional funding</b>				
<b>Non-DfE/ESFA</b>				
Other COVID-19 funding	-	-	-	3,513
<b>Other funding</b>				
Catering income	21,252	-	21,252	14,139
Other incoming resources	41,390	-	41,390	6,130
	62,642	-	62,642	20,269
<b>Total funding</b>	62,642	1,207,241	1,269,883	1,197,584

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Uniform	13,054	-	13,054	13,556
Trips	9,061	-	9,061	5,947
Clubs	1,274	-	1,274	2,289
Other income	2,421	-	2,421	201
	25,810	-	25,810	21,993

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	37	-	37	32

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Expenditure on raising funds					
- Direct costs	-	-	21,238	21,238	19,073
Academy's educational operations					
- Direct costs	815,443	-	91,945	907,388	873,321
- Allocated support costs	167,023	175,279	121,157	463,459	458,544
	982,466	175,279	234,340	1,392,085	1,350,938

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

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	6,520	6,400
- Other services	2,245	2,200
Operating lease rentals	5,186	900
Depreciation of tangible fixed assets	60,120	78,001
Net interest on defined benefit pension liability	4,000	4,000

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Direct costs</b>				
Educational operations	34,390	872,998	907,388	873,321
<b>Support costs</b>				
Educational operations	21,252	442,207	463,459	458,544
	<u>55,642</u>	<u>1,315,205</u>	<u>1,370,847</u>	<u>1,331,865</u>
			<b>2022</b> £	<b>2021</b> £
<b>Analysis of support costs</b>				
Support staff costs			167,023	173,600
Depreciation			60,120	78,001
Premises costs			115,159	79,780
Legal costs			916	3,180
Other support costs			93,340	97,380
Governance costs			26,901	26,603
			<u>463,459</u>	<u>458,544</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	658,319	709,505
Social security costs	68,318	69,202
Pension costs	189,404	199,783
Staff costs - employees	<u>916,041</u>	<u>978,490</u>
Agency staff costs	66,425	10,023
	<u>982,466</u>	<u>988,513</u>
Staff development and other staff costs	10,127	3,935
Total staff expenditure	<u>992,593</u>	<u>992,448</u>



# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 9 Staff

(Continued)

#### Staff numbers

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

	2022 Number	2021 Number
Teachers	10	11
Administration and support	12	14
Management	1	1
	<u>23</u>	<u>26</u>

#### Higher paid staff

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

	2022 Number	2021 Number
£90,001 - £100,000	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £269,256 (2021: £273,495).

In staff numbers above, two of the key management are included in teacher numbers with only the Principal classified as management.

### 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	£95,001 - £100,000 (2021: £90,001 - £95,000)
Employer's pension contributions	£20,001 - £25,000 (2021: £20,001 - £25,000)

Mr A Richardson (trustee) - appointed 19 October 2020

Remuneration	£55,001 - £60,000 (2021: £45,001 - £50,000)
Employer's pension contributions	£10,001 - £15,000 (2021: £10,001 - £15,000)

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

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 11 Trustees' and officers' insurance

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

### 12 Tangible fixed assets

	Leasehold land and buildings £	Leasehold improvements £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>					
At 1 September 2021	1,427,000	712,110	147,459	102,968	2,389,537
Additions	-	-	-	1,704	1,704
At 31 August 2022	1,427,000	712,110	147,459	104,672	2,391,241
<b>Depreciation</b>					
At 1 September 2021	227,625	42,521	125,493	95,166	490,805
Charge for the year	25,529	14,243	16,417	3,931	60,120
At 31 August 2022	253,154	56,764	141,910	99,097	550,925
<b>Net book value</b>					
At 31 August 2022	1,173,846	655,346	5,549	5,575	1,840,316
At 31 August 2021	1,199,375	669,589	21,966	7,802	1,898,732

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 Stocks

	2022 £	2021 £
Stationery stock	5,223	-

### 14 Debtors

	2022 £	2021 £
Trade debtors	300	-
VAT recoverable	6,394	3,640
Other debtors	1,352	-
Prepayments and accrued income	23,919	15,362
	31,965	19,002

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	12,262	15,229
Other taxation and social security	17,214	17,616
Other creditors	16,170	16,922
Accruals and deferred income	68,006	48,632
	<u>113,652</u>	<u>98,399</u>

**16 Deferred income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	<u>23,239</u>	<u>27,009</u>
Deferred income at 1 September 2021	27,009	27,531
Released from previous years	(27,009)	(27,531)
Resources deferred in the year	<u>23,239</u>	<u>27,009</u>
<b>Deferred income at 31 August 2022</b>	<u><b>23,239</b></u>	<u><b>27,009</b></u>

At the year end date monies were held in advance for Universal Infants Free School Meals for the next academic year.

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	98,675	1,086,800	(1,077,847)	-	107,628
UIFSM	-	39,164	(39,164)	-	-
Pupil premium	-	38,014	(38,014)	-	-
Catch-up premium	8,797	-	(8,797)	-	-
Other DfE/ESFA grants	-	19,024	(19,024)	-	-
Other government grants	-	1,273	(1,273)	-	-
PE and sports premium	-	18,230	(18,230)	-	-
Rates	-	4,736	(4,736)	-	-
Pension reserve	(258,000)	-	(48,000)	197,000	(109,000)
	<u>(150,528)</u>	<u>1,207,241</u>	<u>(1,255,085)</u>	<u>197,000</u>	<u>(1,372)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	1,199,369	-	(25,529)	-	1,173,840
DfE group capital grants	340,617	6,914	(16,847)	-	330,684
Capital expenditure from GAG	358,746	-	(17,744)	-	341,002
	<u>1,898,732</u>	<u>6,914</u>	<u>(60,120)</u>	<u>-</u>	<u>1,845,526</u>
<b>Total restricted funds</b>	<u>1,748,204</u>	<u>1,214,155</u>	<u>(1,315,205)</u>	<u>197,000</u>	<u>1,844,154</u>
<b>Unrestricted funds</b>					
General funds	<u>81,733</u>	<u>88,489</u>	<u>(76,880)</u>	<u>-</u>	<u>93,342</u>
<b>Total funds</b>	<u>1,829,937</u>	<u>1,302,644</u>	<u>(1,392,085)</u>	<u>197,000</u>	<u>1,937,496</u>

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 17 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Other DfE/ESFA grants includes FSM supplementary grant.

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 £6,914 of which £5,210 is unspent at the balance sheet date.

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 £200,970 at 31 August 2022.

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 17 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	115,811	999,256	(1,013,132)	(3,260)	98,675
UIFSM	-	42,237	(42,237)	-	-
Pupil premium	-	36,694	(36,694)	-	-
Other DfE/ESFA grants	-	95,615	(86,818)	-	8,797
Other government grants	-	3,513	(3,513)	-	-
Pension reserve	(246,000)	-	(52,000)	40,000	(258,000)
	<u>(130,189)</u>	<u>1,177,315</u>	<u>(1,234,394)</u>	<u>36,740</u>	<u>(150,528)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,240,794	-	(41,425)	-	1,199,369
DfE group capital grants	345,103	6,903	(11,389)	-	340,617
Capital expenditure from GAG	380,673	-	(25,187)	3,260	358,746
	<u>1,966,570</u>	<u>6,903</u>	<u>(78,001)</u>	<u>3,260</u>	<u>1,898,732</u>
<b>Total restricted funds</b>	<u>1,836,381</u>	<u>1,184,218</u>	<u>(1,312,395)</u>	<u>40,000</u>	<u>1,748,204</u>
<b>Unrestricted funds</b>					
General funds	<u>77,982</u>	<u>42,294</u>	<u>(38,543)</u>	<u>-</u>	<u>81,733</u>
<b>Total funds</b>	<u>1,914,363</u>	<u>1,226,512</u>	<u>(1,350,938)</u>	<u>40,000</u>	<u>1,829,937</u>

#### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	1,840,316	1,840,316
Current assets	93,342	221,280	5,210	319,832
Current liabilities	-	(113,652)	-	(113,652)
Pension scheme liability	-	(109,000)	-	(109,000)
<b>Total net assets</b>	<u>93,342</u>	<u>(1,372)</u>	<u>1,845,526</u>	<u>1,937,496</u>

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	1,898,732	1,898,732
Current assets	81,733	205,871	-	287,604
Current liabilities	-	(98,399)	-	(98,399)
Pension scheme liability	-	(258,000)	-	(258,000)
<b>Total net assets</b>	<b>81,733</b>	<b>(150,528)</b>	<b>1,898,732</b>	<b>1,829,937</b>

### 19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £20,851 (2021: £16,919) were payable to the schemes at 31 August 2022 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 academy trusts. 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 2022

### 19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £114,253 (2021: £118,684).

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 pension 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 20.3% 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	2022 £	2021 £
Employer's contributions	26,000	32,000
Employees' contributions	8,000	9,000
Total contributions	34,000	41,000

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.8	3.7
Rate of increase for pensions in payment/inflation	2.8	2.7
Discount rate for scheme liabilities	4.1	1.7
Inflation assumption (CPI)	2.8	2.7



# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Pension and similar obligations

(Continued)

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

	2022 Years	2021 Years
Retiring today		
- Males	22.1	22.3
- Females	24.2	24.3
Retiring in 20 years		
- Males	23.2	23.3
- Females	25.7	25.8

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

	2022 £	2021 £
Discount rate + 0.1%	470,000	626,000
Discount rate - 0.1%	489,000	651,000
Mortality assumption + 1 year	465,000	614,000
Mortality assumption - 1 year	493,000	663,000
CPI rate + 0.1%	488,000	650,000
CPI rate - 0.1%	470,000	626,000

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

	2022 Fair value £	2021 Fair value £
Equities	202,390	214,000
Government bonds	41,810	59,000
Corporate bonds	16,280	66,000
Cash	5,180	17,000
Property	31,080	24,000
Other assets	73,260	-
Total market value of assets	370,000	380,000

The actual return on scheme assets was £(38,000) (2021: £60,000).

#### Amount recognised in the statement of financial activities

	2022 £	2021 £
Current service cost	-	80,000
Interest income	(7,000)	(5,000)
Interest cost	11,000	9,000
Benefit changes, curtailments and settlements gains or losses	70,000	-
Total operating charge	74,000	84,000

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations		(Continued)	
Changes in the present value of defined benefit obligations		2022 £	2021 £
At 1 September 2021		638,000	531,000
Current service cost		70,000	80,000
Interest cost		11,000	9,000
Employee contributions		8,000	9,000
Actuarial (gain)/loss		(242,000)	15,000
Benefits paid		(6,000)	(6,000)
At 31 August 2022		479,000	638,000
Changes in the fair value of the academy trust's share of scheme assets		2022 £	2021 £
At 1 September 2021		380,000	285,000
Interest income		7,000	5,000
Actuarial loss/(gain)		(45,000)	55,000
Employer contributions		26,000	32,000
Employee contributions		8,000	9,000
Benefits paid		(6,000)	(6,000)
At 31 August 2022		370,000	380,000
20 Reconciliation of net expenditure to net cash flow from operating activities		2022 £	2021 £
Notes			
Net expenditure for the reporting period (as per the statement of financial activities)		(89,441)	(124,426)
Adjusted for:			
Capital grants from DfE and other capital income		(6,914)	(6,903)
Investment income receivable	6	(37)	(32)
Defined benefit pension costs less contributions payable	19	44,000	48,000
Defined benefit pension scheme finance cost	19	4,000	4,000
Depreciation of tangible fixed assets		60,120	78,001
(Increase) in stocks		(5,223)	-
(Increase)/decrease in debtors		(12,963)	706
Increase in creditors		15,253	15,139
Net cash provided by operating activities		8,795	14,485

# NEW SEAHAM ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 21 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	268,602	14,042	282,644

### 22 Long-term commitments

#### Operating leases

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

	2022 £	2021 £
Amounts due within one year	4,723	1,013
Amounts due in two and five years	8,621	1,127
	<u>13,344</u>	<u>2,140</u>

### 23 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' payscales guidelines.

### 24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.