

REGISTERED COMPANY NUMBER: 06611453 (England and Wales)  
REGISTERED CHARITY NUMBER: 1124463

**REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022  
FOR  
NEWCASTLE-UNDER-LYME SCHOOL**

Deans  
Chartered Accountants  
Statutory Auditor  
Gibson House  
Hurricane Court  
Hurricane Close  
Stafford  
ST16 1GZ

**NEWCASTLE-UNDER-LYME SCHOOL**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2022**

---

	<u>Page</u>
Report of the Governors	2-14
Report of the Independent Auditors	15-19
Statement of Financial Activities	20
Balance Sheet	21
Cash Flow Statement	22
Notes to the Financial Statements	23-35

**NEWCASTLE-UNDER-LYME SCHOOL**  
**GOVERNORS, OFFICERS AND ADVISERS**  
**YEAR ENDED 31 AUGUST 2022**

**GOVERNORS, DIRECTORS AND CHARITY TRUSTEES**

The Governors of Newcastle-under-Lyme School are the School's charity trustees under charity law and the directors of the charitable company. The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below.

	Education Committee	Business Committee	Employment and Compliance Committee
Ms Lorraine Clews	•		
Dr S Edmonds MBBS, FRCA, MMedSci(Keele) (to 30Jun22)	•		
Mr R Foster	•		•
Mr D R Holland MA	•		
Mrs M Jones BSc(Hons), PGCE	•		•
Mr I G R MacDonald LL.B, Dip.LP, MBA		•	•
Mr A McGowan		•	
Mrs K A Miller BSc, ACA (Vice-Chair)		•	
Mr G E Neyt LL.B		•	
Miss A J Steele BA(Hons), PGCE (from 30Jun22)			
Mr D P Wallbank BA (Chair)	•	•	•

During the year the activities of the Governing Body were carried out through three committees. The membership of these committees is shown above for each Governor.

**OFFICERS**

Mrs N Crouch

Clerk to the Governors

**OFFICERS**

**(key management personnel currently and throughout the year)**

Mr M Getty	Head
Mr J Baines	Director of Finance and Operations
Mr I Bousfield	Assistant Head – Pastoral and Co-Curricular
Mr I Dicksee	Deputy Head - Academic
Mr M Erian (to 31Dec21)	Deputy Head of Preparatory School
Mrs K Mair (from 01Jan22)	Assistant Head -Teaching and Learning
Mr R Lench	Assistant Head Co-Curricular
Mr A Poole	Assistant Head – Head of Sixth Form
Mrs J Simms	Deputy Head Pastoral
Mrs K Thomson (from 01Jan22)	Head of Prep School
Mr N Vernon (to31Dec21)	Head of Prep School

**PRINCIPAL ADDRESS**

Mount Pleasant, Newcastle-under-Lyme, Staffordshire, ST5 1DB

**INVESTMENT MANAGERS**

Investec Wealth & Investment Ltd, 30 Gresham Street, London, EC2V 7QN

**AUDITORS**

Deans Chartered Accountants, Gibson House, Hurricane Court, Hurricane Close, Stafford, Staffordshire, ST16 1GZ

**BANKERS**

NatWest Bank PLC, 75 High Street, Newcastle-under-Lyme, ST5 1PP

**NEWCASTLE-UNDER-LYME SCHOOL  
ANNUAL REPORT OF THE GOVERNORS  
YEAR ENDED 31 AUGUST 2022**

---

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

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Newcastle-under-Lyme School is constituted as a company limited by guarantee registered in England, No. 06611453, and is registered with the Charity Commission under Charity No. 1124463, and came into being on 01 July 2008 taking over all assets and liabilities from the former charity Newcastle-under-Lyme Endowed Schools Fund Registered Charity No. 52891.

The School educates boys and girls from ages 3 to 18 and consists of a nursery, preparatory school, senior school and sixth form, covered by one Governing Body. Details of the members of the Governing Body, together with the School's officers and principal advisors are given on page 2.

**ACHIEVEMENTS AND PERFORMANCE**

Despite challenging economic times Newcastle-under-Lyme School is extremely proud of its high level of academic attainment, as well as its co-curricular programme in which most pupils participate. Due to the Covid-19 pandemic this year A Level and GCSE grades were awarded on the basis of teacher assessed grades rather than sitting actual examinations.

**GCE "Advanced Level" performance 2022**

Students at Newcastle-under-Lyme School were awarded a strong set of A Level results. 84% of entries have been awarded A\* to B grades.

**GCSE performance 2022**

Students at Newcastle-under-Lyme School were awarded a strong set of GCSE results this year with an impressive 63% grades 7 to 9 pass rate.

**Fundraising performance.** Grants and donations totalled £nil (2020-21: £3,395)

**Investment performance.** At the end of the year the net value of the School's investments in securities totalled £2,601,739 (2020-21: £2,880,360), a reduction of 10%.

The investment strategy aims for the portfolio to look to produce dividend income of £45k to £50K per annum. In 2021-22 dividend income was £60,582 (2020-21: £56,263).



**NEWCASTLE-UNDER-LYME SCHOOL**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2022**

---

**FINANCIAL REVIEW**

**Results for the year**

The School's net movement in funds for the year amounted to £2,466,698 (2020-21: £1,774,861). The net incoming funds from operations for the year were positive £2,724,531 (2020-21: £1,377,002) as shown in the Statement of Financial Activities.

Net incoming funds from operations for the year included a large bequest from a former pupil of £135,885 (2020-21: £550,000) grant income toward construction of a new sports hall £2,192,589 (2020-21: £608,349). The School has claimed Job Retention Scheme grant of £nil (2020-21: £157,492) in respect of some support staff during periods of enforced School closure due to the Covid Pandemic.

**Reserves Level and Policy and Financial Viability**

The School's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short term financial obligations in the event of an unexpected revenue shortfall and to rely on the readily realisable securities investments as adequate cover for the School's longer term capital expenditure commitments and any longer term financial obligations.

The School's total reserves of £18,225,404 (2020-21: £15,758,706) at the year-end included £2,875,695 (2020-21: £697,106) unspent restricted income, which does not affect the School's financial viability.

**Future Plans**

The School plans to complete the construction of a second sports hall in the coming year, much of the project is being generously funded by grant income.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing documents**

The School is governed by its Memorandum of Association and Articles of Association last amended on 08 May 2019 which corrected a few minor points from the previous version dated 05 December 2011.

The Governors approved a revised Scheme of Management and Delegation on 08 May 2019, the main changes being the creation of three new Committees (Education Committee, Remuneration Committee and, Governance and Nominations Committee). Matters that had previously been delegated by the Governors to the previous post of Bursar, are now delegated directly to the Head. The Scheme of Delegation also created a new post of Director of Finance and Operations/(Bursar) which was to be line managed by the Head rather than the Governors, a post which was filled on 19 April 2021.

**NEWCASTLE-UNDER-LYME SCHOOL**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2022**

---

**Governing body**

The Governors are the company directors and charity trustees of the Charity, and have control of the Charity and its property and funds.

The board shall comprise no fewer than eight and no more than twelve Governors and each Governor will hold a term of office of five years.

**Recruitment and training of Governors**

Governors constantly review the balance of professional experience and strengths within the Governing Body, inviting new members to join to make up any perceived shortfalls. All prospective appointees are agreed by the Full Governing Body prior to appointment and on appointment undergo Induction Training which includes briefing by the Chair of Governors, Headmaster, Director of Finance and Operations (Bursar), and Clerk to the Governors. Any additional training is provided on an as required basis.

**Organisational management**

The members of the Governing Body, as the charity's trustees, are legally responsible for the overall management and control of the School. They meet at least four times a year.

The work of implementing their policies is carried out by three Committees.

- The Education Committee acts in a monitoring role to review the agreed academic, curricular and pastoral provision in the School. The Education Committee was chaired by Dr S Edmonds.
- The Business Committee oversees all financial aspects of the School. The Business Committee was chaired by Mrs K Miller.
- The Employment and Compliance Committee acts in an advisory role reviewing all systems and methods of control including risk analysis and risk management, and ensuring compliance with health and safety requirements. The Employment and Compliance Committee was chaired by Mr I MacDonald.
- In addition, the Scheme of Management and Delegation has created two further committees which have yet to meet. The Remuneration Committee which is responsible for overseeing the remuneration of the Head and Senior Management Team, and the Governance and Nominations Committee responsible for integrating and co-ordinating all aspects of corporate governance, legal and regulatory compliance and risk management to improve the quality of the School's governance arrangements for the purpose of enhancing overall performance, and to conduct a regular skills audit of the Governing Body, identifying current or potential future gaps, seeking suitable applicants to fill those gaps and coordinating the appointment process.

**NEWCASTLE-UNDER-LYME SCHOOL**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2022**

---

The Head has overall responsibility for the general management and running of the School and employment, discipline and dismissal of the staff subject always to the terms of the Scheme of Management and Delegation adopted by the Governors by a special resolution dated 08 May 2019.

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the School's charitable vision and purpose is primarily dependent on our key management personal and staff costs are the largest single element of our charitable expenditure.

**Group structure and relationships**

Castilian Enterprises Limited is a wholly owned non-charitable subsidiary of Newcastle-under-Lyme School which has remained dormant since incorporation on 10 November 2015. It is intended that Castilian Enterprises Limited will undertake future trading activities, and donate its annual profits to the School.

**Employment policy**

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School.

Communication with employees continues through normal management channels in a variety of forms and whenever appropriate through exceptional channels to apprise staff of current issues.

**Investment policy and objective**

The Governors' investment strategy is for a portfolio made up of reserves that should be invested to grow at least in line with inflation. The portfolio is to target a balanced return over the medium to long term within a medium risk strategy. In order to achieve this, the portfolio is to be invested in real assets (equities and property) with bonds and alternatives to dampen down volatility. The portfolio will be invested directly in bonds and UK equities except for specialist areas whilst all other asset classes will be invested via collectives.

The investment strategy and policy is monitored by the Business Committee, as is investment performance, which is reported below, within the Strategic Report.

## OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

### Charitable Objects

The School's objects, as set out in the Memorandum of Association, are to advance education and training by the provision and conduct in or near Newcastle-under-Lyme of a School for boys and/or girls and other associated activities for the benefit of the community.

In furtherance of these Objects for the public benefit the School has established and administers a programme of bursaries and other awards.

The Board is very mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. To this end the Board has monitored closely the guidance on public benefit produced by the Charity Commission together with supplemental guidance on fee charging.

**Mission statement.** Our mission is to give all our pupils 'the best start in life'.

**Intended impact.** The five characteristics of the School vision have been stated as:

- Excellent academic achievement and co-curricular activity, within an aspirational culture which values participation and success
- Happy confident pupils
- Very strong home-school partnership
- A purposeful, caring, calm and friendly ethos
- Professional, specialist dedicated staff who give 'above and beyond'

**Ethos:** We have a set of shared and agreed school characteristics, which are what define the School's ethos:

- The happiness of our pupils
- We are a 'Family School': we have family connections which stretch back over generations
- We know our pupils
- Our pupils achieve and we value their achievement
- We are not an examination factory: we believe in providing, and we do provide, a rich variety of out of class or co-curricular activity
- We contribute to the wider community and are a local school
- Our ethos is grounded, down to earth, unpretentious
- Our bursary programme enables us to maintain a wide social mix of pupils in the Senior School
- Our staff are highly dedicated and give a great deal 'out of hours' support and care
- We have high expectations and a climate of hard work. Hard work is valued by pupils.

**NEWCASTLE-UNDER-LYME SCHOOL  
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)  
YEAR ENDED 31 AUGUST 2022**

---

**Aims:** The School's aims for the public benefit are:

- to maintain strong and active partnerships between the School, parents and the local community;
- within a framework of shared values and standards to offer all pupils a diverse range of opportunities so that they can achieve to the very best of their ability; and
- to value and nurture pupils as individuals, developing in them a sense of their own self-worth and of the value of service to others, thus preparing them for a life beyond school.

**Primary objectives and strategies to achieve them.**

The eight key characteristics of the School to fulfil these aims are:

Excellence in Teaching and Learning

To achieve this, we will be a forward thinking, progressive educator with a dual strand academic strategy that aims for Academic Performance through inspiring Teaching and Learning.

A Focus on the Whole Child

To achieve this, we will aim to value pupils' well-being as paramount and to ensure their welfare is viewed on the broadest possible terms, mental and physical.

An Exceptional All-Round Education

To achieve this, we will commit to constantly invest in achieving an all-round, holistic education that meets the very highest of Independent School standards.

A School at the Heart of its Community

To achieve this, we will cherish and commit to the altruistic spirit that was apparent at the very birth of our school in 1602, as we recognise this outlook generates significant benefits for all.

Beyond School Life

We aim to prepare all of our students to excel in life in an ever-changing, modern world.

Building the School's Reputation

Develop an irresistible school offer and a provision for our pupils that enables it to enjoy an enviable and regionally leading reputation.

**NEWCASTLE-UNDER-LYME SCHOOL**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2022**

---

Facilitating a Leading Learning Environment

To achieve this, we will aim to be financially prudent and creative, to facilitate ongoing and continued investment in the NULS campus and estate, as we seek to ensure our pupils enjoy the leading facilities and opportunities within the region.

Enabling the Future

To achieve this, we will aim to future-proof NULS through partnership with our key current stakeholders and alumni through the enhancement of our commercial activities and those that justify our charitable status.

**Our Values**

We want our pupils to be Resourceful, Respectful, Resilient, Responsible, Risk-taking, Committed, Confident, Curious, Caring and Creative.

**Principal activity**

The School's principal activity, as specified in the Memorandum of Association, is to advance education and training, and, in this, the School has again had a successful year.

The average number of pupils was:

	2021-22	2020-21	2019-20	2018-19	2017-18
Senior School	579	579	551	566	598
Preparatory School	221	208	221	239	242
Total	800	787	772	805	840

The encouraging recruitment trend has continued into 2022-23.

**Public Benefit**

Newcastle-under-Lyme School remains committed to the aim of providing public benefit in accordance with its founding principles. Charity law has recently introduced a requirement to demonstrate that public benefit for charitable purposes where it has hitherto been presumed in the absence of evidence to contrary. This calls in turn for more detailed disclosures concerning our aim.

The Governing Body takes the view that bursaries awarded to those who would not otherwise be able to afford the School's fees are important as a measurable means of providing public benefit, but not to the exclusion of the much wider benefit that the School provides within the community. Those pupils who attend our School and who receive financial support contribute to the School community in many ways, and so the benefit is not purely to these pupils but to the whole School, and more often than not to the wider community as well.

**NEWCASTLE-UNDER-LYME SCHOOL  
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)  
YEAR ENDED 31 AUGUST 2022**

---

This year the School awarded bursaries of £384,577 to 53 pupils (2020-21: £421,189 to 80 pupils) through a programme of means tested awards awarded on a sliding scale according to financial circumstances and short term hardship awards.

In addition to bursaries, the School has engaged in many other activities that provide benefit to the public with the School's objectives.

**PUBLIC BENEFIT**

**Bringing pupils from state schools and our independent schools together:**

As a School, we value the opportunities our pupils have to work with, to interact with and to compete against pupils from other schools.

Senior School Sport: Our Senior School Sports Department hosted a range of fixtures with local state schools as well as participating in local and regional competitions across a wide range of sports.

Debating: We took part in a range of competitions in which our pupils competed against pupils from local schools.

Our Prep School facilities were used by Hassell Street Primary School for cross country training.

**Sharing our expertise and perspectives:**

Our Headmaster is a trustee of the Alpha academy chain. We have worked on various partnership activities with Alpha Academy including contributing to leadership and governance, and inputting time to the formulation of new free school development within the Academy Trust. This has developed from on previous years where English is a project where we will liaise with their English team on curriculum and delivery to try to promote their top end performance at GCSE and Value added. They are seeking to extend their progress at their secondary schools in this core subject for higher ability learners. Careers support includes careers guidance for students as they have limited sixth form experience, we will assist pathfinding and a level options routes for their students to ensure progress is maximised and mobility too. In addition, we will guide their medics through our pre-med society. We hope to be able to support their highest ability learners seeking a high performance A-level centre, to come to NULS to achieve their goals.

Other members of our staff act as governors and trustees at local schools and learning partnerships including our Deputy Head: academic is also a governor at Excel Academy.

Pre-Med: Students from a local secondary school multi academy trust with an interest in pursuing Medicine as a career partnered with our staff and students to prepare for entry into the profession, post 18. This involved students from both schools working collaboratively in relation to our Pre-Med Society.

Examining: A number of staff work as examiners for GCSE and A-level working with colleagues from all sectors and sharing their expertise.



**NEWCASTLE-UNDER-LYME SCHOOL**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2022**

---

Combined Cadet Force: Our CCF staff have helped 2 local schools to establish their own cadet groups, supporting their expansion with the expertise of our contingent commander and equipment loans.

Careers: Our Head of Careers developed links with a local secondary school multi academy trust to share best practice in organizing work experience visits.

**Working with the wider community, community service and charity:**

Newcastle-under-Lyme School is a part of its local community. Our pupils and staff undertake a range of initiatives in support of our local community.

Sport: We work closely with local sporting organisations: North Staffs Hockey, Newcastle Staffs Swimming Club and Newcastle Town Netball Club sharing facilities including our new sports hall as well as staff expertise.

CCF: We have strong links with the local community and local veterans through our CCF. We attend the Borough Remembrance parade and the ATC Sunday Service in Stoke. Our remembrance service brings together members of the local community and school pupils and staff.

Charity: Throughout the year, the Charity Committee ran events in support of 2 charities, the Horton Lodge Community Special School and Young Minds, holding 3 Non Uniform Days, a Christmas fair and a Valentines cake and sweet sale. We distributed tins of sweets and biscuits to the local Care homes who usually attend our Senior Citizens Christmas Party as well as delivering 40 Afternoon Tea boxes to our elderly neighbours at Christmas time. We also supported the Ukraine refugees by collecting items for distribution via the community shop set up in Newcastle town centre.

Our music rooms are used by a local Symphony Orchestra, and Pipe Band. The school musicians provide a free lunchtime concert for the local Penkhull Arts Festival in September, which includes an invitation to local primary schools.

Duke of Edinburgh Award Scheme: All pupils completing the DofE Awards undertake a volunteering section working at and with a diverse range of organisations. Some examples of the work completed includes: helping at a church youth (3 to 6 year olds) club and a local kids club (6 to 12 year olds), helping at Scouts and Girl Guides, working in charity shops e.g. Oxfam, Barnardo's and the Salvation Army, being 'companions' by chatting to and playing games with elderly residents at local nursing homes. Some participants also volunteered to help with the upkeep of the area in which they lived by litter picking, planting bulbs and maintaining flower displays. One participant worked with the charity 'Post Pals', by sending letters, gifts and cards to ill children and their siblings in the UK. Animal care was also an area in which our volunteers gave their time, for example at the Cheshire based animal sanctuary, 'Dusters Ark'. Support was given at a local orchestra and given to younger children at dance clubs and sports clubs e.g. judo, hockey and football. Participants have also volunteered with online organisations/activities e.g. Missing Maps and a Zooniverse Citizen Science project on penguin ecology and conservation.



**NEWCASTLE-UNDER-LYME SCHOOL**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2022**

---

**Drama Props and Equipment:** We have ongoing arrangements to share props and lighting equipment with a local church and a local school. A local theatre group loaned staging equipment from us, this was limited this year. We loaned our Grease Costumes to state school in Sheffield for their production last year.

**MFL:** Pupils took part in a Business Language Champions event across the independent and state sector schools.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Governors recognise that independent schools are currently facing a unique set of economic and political challenges. Inflation is affecting operational costs, and placing cost of living pressures on parents when considering fees. The Labour Party remains strong in the opinion polls, and if it wins the next general election it intends to remove charitable reliefs from independent schools and impose VAT on fees. When considered in combination these issues are the principal risk faced by the School. Although the School is not full, the numbers on roll continue to rise and recruitment of early year pupils, although still challenging, continues to improve.

School fees were increased by 4% from 01 September 2022 and the Governing Body remains confident that fees are still the best value for the area.

The Governor's continue to monitor the increasing cost of providing pensions through the Teacher's Pension Scheme, but remain committed to the Scheme.

The School campus comprises a number of older buildings, spread out across the site, some of which is covered by the local Conservation Area. Maintaining and developing an ageing estate remains challenging, and our long term plan will be refreshed.

As ever, Health and Safety is a significant area for risk management, risks ranging from fire and infrastructure to personal risks (most notably when away from the School on trips and visits). The level and breadth of activity at the School is impressive and we minimise the associated risks through thorough planning and risk assessment. Governor sub-committees examine specific areas of risk relating to their function and report on these to the main Governing Body.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks for the School.

## **FUTURE PLANS**

The School's current Development Plan is subject to periodic review by the Governors, and was updated following the appointment of the current Head. The primary future aims for the School are set out in the core elements of the Development Plan, and are:

- to provide value-added outcomes in excess of local independent schools by enriched, innovative learning, delivered by well led staff teams
- continued excellence in pastoral care
- continued excellence in our co-curricular programme
- to provide excellent communications, recruit as many pupils who would benefit from what we offer as possible, secure funds to support our bursary provision and develop linkage with former pupils and staff as a 'community for life'
- constructively link with our community
- to provide an efficiently run School with careful deployment of staffing and stewardship of resources with a focus on meeting the needs of both current and future pupils
- to provide collaborative and open leadership and effective management whilst recruiting, retaining and developing the best staff team
- to provide a lively, enriching, nurturing Preparatory School experience built on strong pastoral support, academic progress and developing activity experiences which encourage a life-long relationship with NULS
- to provide an aspirational, young adult, pre-university community which offers enriched opportunities which prepare for the world beyond School and which retains Year 11 and attracts and recruits students from other pre-16 provision.

**NEWCASTLE-UNDER-LYME SCHOOL  
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)  
YEAR ENDED 31 AUGUST 2022**

---

**STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

The Governors (who are also the Directors of Newcastle-under-Lyme School for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Governors are required to

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity SORP 2019 (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

**STATEMENT AS TO DISCLOSE INFORMATION TO AUDITORS**

In so far as the Governors are aware:

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

**AUDITORS**

The auditors, Deans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the Governors, incorporating a strategic report, approved by order of the Board of Governors, as the company directors, on 08 December 2022 and signed on the Board's behalf by:



**Mrs K A Miller (Chair of the Business Committee)**

## **REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNORS AND MEMBERS OF NEWCASTLE-UNDER-LYME SCHOOL**

---

### **Independent Auditor's Report to the Members of Newcastle-under-Lyme School**

#### **Opinion**

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

In our opinion the financial statements:

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

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNORS AND MEMBERS OF NEWCASTLE-UNDER-LYME SCHOOL**

---

### **Other information**

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

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

We have nothing to report in this regard.

### **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 Annual Report of the Governors incorporating the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNORS AND MEMBERS OF NEWCASTLE-UNDER-LYME SCHOOL**

---

### **Responsibilities of governors**

As explained more fully in the governors' responsibilities statement set out on page 14, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with governors and other management, and from our commercial knowledge and experience of the company's operating sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charity Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

## REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNORS AND MEMBERS OF NEWCASTLE-UNDER-LYME SCHOOL

---

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risk of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual balances, variances or unexpected relationships;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- specifically tested the controls around banking payments.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation claims;
- reviewing correspondence with HMRC and other relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNORS AND MEMBERS OF  
NEWCASTLE-UNDER-LYME SCHOOL**

---

**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.



Jeremy Hodgkiss (Senior Statutory Auditor)  
for and on behalf of Deans  
Chartered Accountants  
Statutory Auditor  
Gibson House  
Hurricane Court  
Hurricane Close  
Stafford  
ST16 1GZ

5 January 2023



**NEWCASTLE-UNDER-LYME SCHOOL**  
**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE**  
**ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
<b>Income and endowments from:</b>					
<b>Charitable activities</b>					
School fees receivable	2	9,588,025	-	9,588,025	8,978,223
Ancillary trading income	3	698,771	-	698,771	386,074
<b>Other trading activities</b>					
Non-ancillary trading income	4	65,537	-	65,537	3,561
<b>Investments</b>	5	62,507	-	62,507	56,569
<b>Voluntary incoming sources</b>	6	141,137	2,192,589	2,333,726	1,349,805
<b>Activities to generate funds</b>	7	-	-	-	3,395
<b>Total incoming resources</b>		10,555,977	2,192,589	12,748,566	10,777,627
<b>Expenditure on:</b>					
<b>Raising funds</b>	8				
Financing costs		39,536	-	39,536	32,172
Investment management		20,788	-	20,788	16,440
<b>Total deductible costs</b>		60,324	-	60,324	48,612
<b>Charitable activities</b>					
Education and grant making	8	9,949,711	14,000	9,963,711	9,352,013
<b>Total expenditure</b>		10,010,035	14,000	10,024,035	9,400,625
<b>Net incoming funds from operation: before transfers and investment gains</b>		545,942	2,178,589	2,724,531	1,377,002
(Loss)/Gain on investments		(257,833)	-	(257,833)	397,859
<b>Net movement in funds for the year</b>		288,109	2,178,589	2,466,698	1,774,861
Fund balances brought forward at 1 September 2021		15,061,600	697,106	15,758,706	13,983,845
<b>Fund balances carried forward at 31 August 2022</b>		15,349,709	2,875,695	18,225,404	15,758,706

The notes form part of these financial statements

**NEWCASTLE-UNDER-LYME SCHOOL**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	31 Aug 2022 Total £	31 Aug 2021 Total £
<b>FIXED ASSETS</b>			
Tangible assets	10	13,766,296	11,307,833
Securities investments	11	2,555,832	2,826,982
		<u>16,322,128</u>	<u>14,134,815</u>
<b>CURRENT ASSETS</b>			
Stock		17,716	13,467
Debtors	12	397,224	330,928
Securities investments – cash balances	11	45,907	53,378
Cash and deposits		<u>3,300,953</u>	<u>3,103,663</u>
		<u>3,761,800</u>	<u>3,501,436</u>
<b>CURRENT LIABILITIES</b>			
Amounts falling due within one year	13	<u>(1,190,384)</u>	<u>(1,183,398)</u>
<b>NET CURRENT ASSETS</b>			
		<u>2,571,416</u>	<u>2,318,038</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		18,893,544	16,452,853
<b>LONG TERM LIABILITIES</b>			
Creditors payable after one year	14	(668,140)	(694,147)
<b>NET ASSETS</b>			
		<u>18,225,404</u>	<u>15,758,706</u>
<b>REPRESENTED BY:</b>			
Unrestricted funds		15,349,709	15,061,600
Restricted funds		2,875,695	697,106
	16	<u>18,225,404</u>	<u>15,758,706</u>

These financial statements were approved by the Governing Body on 08 December 2022 and were signed on its behalf by:

*Kathleen A Miller*

Mrs K A Miller  
(Chair of the Business Committee)

**NEWCASTLE-UNDER-LYME SCHOOL**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	<b>2022</b>		<b>2021</b>	
	£	£	£	£
<b>Cash flows from operating activities</b>				
Net cash provided by operating activities		<b>3,123,317</b>		<b>2,352,789</b>
<b>Cash flows from investing activities</b>				
Dividends and interest from investments	<b>60,582</b>		<b>56,263</b>	
Purchase of property, plant and equipment	<b>(2,896,513)</b>		<b>(809,398)</b>	
Investment management fees	<b>20,788</b>		<b>19,940</b>	
<b>Net cash provided (used in) investing activities</b>		<b>(2,815,143)</b>		<b>(733,195)</b>
<b>Cash flows from financing activities</b>				
Repayments of borrowing	<b>(110,884)</b>		<b>(123,005)</b>	
<b>Net cash provided by (used in) financing activities</b>		<b>(110,884)</b>		<b>(123,005)</b>
<b>Change in cash and cash equivalents</b>		<b>197,290</b>		<b>1,496,589</b>
Cash in hand at 01 September 2021		<b>3,103,663</b>		<b>1,607,074</b>
<b>Cash in hand at 31 August 2022</b>		<b>3,300,953</b>		<b>3,103,663</b>
<b><u>Reconciliation of net income to net cash flow from operations</u></b>				
Net incoming funds as per the Statement of Financial Activities		<b>2,724,531</b>		<b>1,377,002</b>
Adjustments for:				
Depreciation charges	<b>438,050</b>		<b>449,657</b>	
Dividends and interest from investments	<b>(60,582)</b>		<b>(56,263)</b>	
(Increase)/decrease in stocks	<b>(4,249)</b>		<b>4,325</b>	
(Increase)/decrease in debtors	<b>(66,296)</b>		<b>184,130</b>	
Increase/(decrease) in creditors	<b>91,863</b>		<b>393,938</b>	
		<b>398,786</b>		<b>975,787</b>
<b>Net cash provided by operating activities</b>		<b>3,123,317</b>		<b>2,352,789</b>
<b><u>Analysis of changes in net debt</u></b>				
	<b>At 1Sep2021</b>	<b>Cash flows</b>	<b>At 31Aug2022</b>	
<b>Cash and cash equivalents</b>				
Cash	<b>3,103,663</b>	<b>197,290</b>	<b>3,300,953</b>	
<b>Borrowings</b>				
Debts due within one year	<b>(110,871)</b>	<b>84,877</b>	<b>(25,994)</b>	
Debts due after one year	<b>(694,147)</b>	<b>26,007</b>	<b>(668,140)</b>	
<b>Total</b>	<b>2,298,645</b>	<b>308,174</b>	<b>2,606,819</b>	

The notes form part of these financial statements

**NEWCASTLE-UNDER-LYME SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

---

**1. ACCOUNTING POLICIES**

Newcastle –under –Lyme School is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) effective 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £. Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlines in the Statement of Accounting and Reporting Responsibilities on page 14

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**1.1 Fees and similar earned income**

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

**1.2 Investment income**

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

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**ACCOUNTING POLICIES (continued)**

**1.3 Donations, legacies, grants and other voluntary resources**

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

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and income endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. Gifts in kind are valued at estimated open market value at the date of the gift, in cases of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

**1.4 Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

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

**1.5 Tangible fixed assets**

Expenditure on the acquisition, construction or enhancement of land, vehicles, furniture, machinery and ICT infrastructure and other equipment are capitalised and carried on the balance sheet at historical cost

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

**1.6 Depreciation**

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

School buildings, including major extensions	20-50 years
Alterations on change of use and minor extensions	5 - 15 years
Furniture, machinery and equipment	3 – 20 years
Motor vehicles	5 years

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**ACCOUNTING POLICIES (continued)**

**1.7 Investments**

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

**1.8 Stock**

Stock represents catering goods for resale and bulk purchases of paper stored by the supplier, and is valued at the lower of cost and net realisable value

**1.9 Fund accounting**

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

**Unrestricted** income belongs to the School's corporate services, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of their funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

**Restricted** funds are represented by capital grants received by the School in previous periods and are being written off through the Statement of Financial Activities in line with the economic life of the asset funded by the grant.

**1.10 Pension costs**

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

- a) The Teachers' Pension Scheme – This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.
- b) The Newcastle-under-Lyme School Group Personal Pension Plan – This is a defined contribution group personal pension plan with Friends Life. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

**1.11 Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

<b>2. SCHOOL FEES RECEIVABLE</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Fees receivable consist of:</b>		
School fees	10,359,177	9,729,565
Less: total scholarships, bursaries and concessions	(771,152)	(751,342)
	<u>9,588,025</u>	<u>8,978,223</u>
<b>3. ANCILLARY TRADING INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Catering income	642,797	336,575
Out of hours school care	12,753	19,042
Sundry income	43,221	30,457
	<u>698,771</u>	<u>386,074</u>
<b>4. NON ANCILLARY TRADING INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rents and lettings	<u>65,537</u>	<u>3,561</u>
<b>5. INVESTMENT INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investments	60,582	56,263
Bank interest	1,925	306
	<u>62,507</u>	<u>56,569</u>
<b>6. VOLUNTARY INCOMING RESOURCES</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Job Retention Scheme grant	-	157,492
Bequests and legacies	135,885	550,000
Grants drawn in respect of new Sports Hall	2,192,589	608,439
Planning fees reimbursed	-	24,664
Other income, donation and grants	3,260	-
Gifts in kind for the School's own use	1,992	9,210
	<u>2,333,726</u>	<u>1,349,805</u>
<b>7. ACTIVITIES TO GENERATE FUNDS</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Fundraising proceeds</b>		
Sundry donations raised	<u>-</u>	<u>3,395</u>

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**8. ANALYSIS OF EXPENDITURE**

	Staff costs (note 9) £	Depreciation (note 10) £	Other £	2022 £
<b>(a) Total Expenditure</b>				
<b>Cost of generating funds</b>				
Financing costs	-	-	39,536	39,536
Investment management	-	-	20,788	20,788
<b>Total cost of generating funds</b>	-	-	60,324	60,324
<b>Charitable expenditure</b>				
<b>Education and grant making</b>				
Teaching	6,180,186	76,736	724,470	6,981,392
Welfare	347,720	-	331,266	678,986
Premises repair and maintenance	517,138	68,249	638,623	1,224,010
Support costs and governance	480,542	293,065	305,716	1,079,323
<b>Total charitable expenditure</b>	7,525,586	438,050	2,000,075	9,963,711
<b>Total expended</b>	7,525,586	438,050	2,060,399	10,024,035
				2021 £
<b>Cost of generating funds</b>				
Financing costs	-	-	32,172	32,172
Investment management	-	-	16,440	16,440
<b>Total cost of generating funds</b>	-	-	48,612	48,612
<b>Charitable expenditure</b>				
<b>Education and grant making</b>				
Teaching	6,011,011	86,186	489,365	6,586,562
Welfare	291,224	-	213,946	505,170
Premises repair and maintenance	542,367	70,406	571,089	1,183,862
Support costs and governance	419,706	293,065	363,648	1,076,419
<b>Total charitable expenditure</b>	7,264,308	449,657	1,638,048	9,352,013
<b>Total expended</b>	7,264,308	449,657	1,686,660	9,400,625
<b>(b) Governance included in support costs</b>			2022 £	2021 £
Remuneration paid to auditor for audit services			13,530	12,162
Reimbursement of personal expenses to Governors			-	-
Other governance costs			14,091	12,434



**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**9. STAFF COSTS**

	2022	2021
	£	£
The aggregate payroll costs for the year were:		
Wages and salaries	5,680,955	5,483,715
Benefits in kind	354,176	311,787
Social security costs	545,487	508,397
Other pension costs	942,689	926,071
Redundancy/termination payments	2,279	34,338
	<u>7,525,586</u>	<u>7,264,308</u>

None of the Governors received any remuneration or other benefits from Newcastle-under-Lyme School or from any connected body.

Termination costs are charged in the period in which the termination is agreed.

	2022	2021
Aggregate employee benefits of key management personnel	<u>£767,341</u>	<u>£759,974</u>
Number of higher paid employees in bands of:		
£60,001 to £70,000	0	2
£70,001 to £80,000	3	1
£100,001 to £110,000	0	1
£120,001 to £130,000	<u>1</u>	<u>0</u>

The average number of the School's employees during the year, was

Teaching staff	88	89
Administration	11	11
Support staff	<u>112</u>	<u>115</u>
	<u>211</u>	<u>215</u>

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**10. TANGIBLE FIXED ASSETS**

	Freehold property £	Non- educational equipment £	Educational books, equipment and furniture £	Assets in the course of construction £	Totals £
<b>Cost or frozen valuation</b>					
At 01 September 2021	13,879,326	1,190,758	1,731,822	812,206	17,614,112
Additions	-	78,315	125,735	2,692,463	2,896,513
Disposals	-	(21,915)	-	-	(21,915)
<b>At 31 August 2022</b>	<b>13,879,326</b>	<b>1,247,158</b>	<b>1,857,557</b>	<b>3,504,669</b>	<b>20,488,710</b>
<b>Depreciation</b>					
At 01 September 2021	4,339,390	885,412	1,081,477	-	6,306,279
Charge for the year	293,065	68,249	76,736	-	438,050
Eliminated on disposal	-	(21,915)	-	-	(21,915)
<b>At 31 August 2022</b>	<b>4,632,455</b>	<b>931,746</b>	<b>1,158,213</b>	<b>-</b>	<b>6,722,414</b>
<b>Net Book Value</b>					
<b>At 31 August 2022</b>	<b>9,246,871</b>	<b>315,412</b>	<b>699,344</b>	<b>3,504,669</b>	<b>13,766,296</b>
At 31 August 2021	9,539,936	305,346	650,345	812,206	11,307,833

The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying value on 01 July 2014, the date of transition to FRS102, of any of the above freehold property previously carried at a valuation as their deemed cost.

All tangible fixed assets are held for use on charitable purposes.

Badminton Association of England has a legal charge on the existing sports hall, included in freehold property for £120,000 as a condition of monies granted to the School.

Assets in the course of construction represent the construction costs of a second sports hall, which will be completed during the coming year.

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	2022 £	2021 £
<b>11. INVESTMENTS</b>		
Market Value 1 September 2021	2,880,360	2,502,441
New money invested	-	-
Reinvested income	-	-
Amounts extracted	-	-
Investment management fees	(20,788)	(19,940)
(Decrease)/Increase in the value of investments	(257,833)	397,859
Market Value 31 August 2022	2,601,739	2,880,360

Investments held in the portfolio are as follows:

Stocks and shares	2,555,832	2,826,982
Cash	45,907	53,378
	2,601,739	2,880,360

Securities investments are managed for the School by Investec Wealth and Management Limited.

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Fees and extras	255,492	174,291
Other debtors	2,786	5,957
Other prepayments and accrued income	138,946	150,680
	397,224	330,928

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Bank loans (note 15)	25,995	110,871
Trade creditors	603,079	750,314
Other creditors	561,299	322,202
Accruals and deferred income	11	11
	1,190,384	1,183,398

Although most fee deposits are only repaid at the end of a pupil's period at the school, to reflect the usual terms that fee deposits are repayable to parents on demand if a pupil leaves the school, the fee deposits within creditors is shown as falling due within one year. This reflects the requirements in FRS102 that liabilities where the school does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date should be included in current liabilities.

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans (note 15)	<b>668,140</b>	<b>694,147</b>

**15. BANK LOANS**

Loans repayable, included within creditors, are analysed as follows:	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans repayable within one year	<b>25,995</b>	<b>110,871</b>
Bank loans repayable between one to two years	<b>27,003</b>	<b>36,402</b>
Bank loans repayable between two to five years	<b>87,454</b>	<b>117,316</b>
Bank loans repayable after more than five years	<b>553,683</b>	<b>540,429</b>
	<b>694,135</b>	<b>805,018</b>

The School has one bank loan remaining of £694,135 (2021: £729,772) with National Westminster Bank Plc which is secured against the freehold property of the School. The loan is repayable over the period to 2039 with an interest rate of 2.06% above the bank base rate.

**16. MOVEMENT IN FUNDS**

	<b>At</b>	<b>Net</b>	<b>At</b>
	<b>01 September</b>	<b>movement</b>	<b>31 August</b>
	<b>2021</b>	<b>in funds</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>			
General fund	15,061,600	288,109	15,349,709
<b>Restricted funds</b>			
General	697,106	2,178,589	2,875,695
<b>TOTAL FUNDS</b>	<b>15,758,706</b>	<b>2,466,698</b>	<b>18,225,404</b>

Net movement in funds, included in the above are:

	<b>Incoming</b>	<b>Resources</b>	<b>Gains and</b>	<b>Net</b>
	<b>resources</b>	<b>expended</b>	<b>losses</b>	<b>movement</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>in funds</b>
				<b>£</b>
<b>Unrestricted funds</b>				
General fund	10,555,977	(10,010,035)	(257,833)	288,109
<b>Restricted funds</b>				
General	2,192,589	(14,000)	-	2,178,589
<b>TOTAL FUNDS</b>	<b>12,748,566</b>	<b>(10,024,035)</b>	<b>(257,833)</b>	<b>2,466,698</b>

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	2,875,695	10,890,601	13,766,296
Securities investments	-	2,555,832	2,555,832
Net current assets	-	2,571,416	2,571,416
Long term liabilities	-	(668,140)	(668,140)
	<u>2,875,695</u>	<u>15,349,709</u>	<u>18,225,404</u>

  

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	697,106	10,610,727	11,307,833
Securities investments	-	2,826,982	2,826,982
Net current assets	-	2,318,038	2,318,038
Long term liabilities	-	(694,147)	(694,147)
	<u>697,106</u>	<u>15,061,600</u>	<u>15,758,706</u>

**18. PENSION SCHEMES**

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

**Defined benefit scheme:**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £847,697 (2020-21: £832,341) and at the year-end £97,376 (2020-21: £98,700) was accrued in respect of contributions to this scheme.

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

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

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

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**18. PENSIONS SCHEMES (Continued)**

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that the transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 04 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period 01 April 2015 and 31 March 2022 at the point they become payable.

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

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

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

**Defined contribution scheme:**

The Newcastle-under-Lyme Group Personal Pension Plan is a money purchase group personal pension scheme managed by Friends Life. Basic contributions are 5% for the employee and 5% for the employer. The employer's contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. The employer's contributions in the period amounted to £94,992 (2020-21: £93,729) and at the year-end £13,317 (2020-21: £13,111) was accrued in respect of contributions to this scheme.

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**19. CAPITAL COMMITMENTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Contracted but not provided in the financial statements	<b>346,466</b>	<b>2,918,330</b>

Capital commitments are in respect of the construction of an additional sports hall, work is expected to be completed in the next financial year.

**20. OPERATING LEASE COMMITMENTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Future minimum lease payments due at the end of the period were</b>		
Within one year	<b>19,987</b>	<b>-</b>
Between 1 and 5 years	<b>14,051</b>	<b>60,262</b>
	<b>34,038</b>	<b>60,262</b>

**21. RELATED PARTY DISCLOSURES**

There were no related party disclosures to report.

**22. ULTIMATE CONTROLLING PARTY**

No one individual controls the charity.

**23. SUBSIDIARIES**

The School owns all of the issued share capital of Castilian Enterprises Limited (company number 9866298), a company incorporated in England that has its registered office at Mount Pleasant, Newcastle-under-Lyme, Staffordshire, ST5 1DB. This Company has been dormant since incorporation on 10 November 2015 and is intended to carry out trading activities on behalf of the School in the future.

**NEWCASTLE-UNDER-LYME SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**24. STATEMENT OF FINANCIAL ACTIVITIES – Comparative figures by fund type**

	Unrestricted funds £	Restricted funds £	2021 £
<b>Income and endowments from:</b>			
<b>Charitable activities</b>			
School fees receivable	8,978,223	-	8,978,223
Ancillary trading income	386,074	-	386,074
<b>Other trading activities</b>			
Non-ancillary trading income	3,561	-	3,561
Investments	56,569	-	56,569
Voluntary incoming sources	741,366	608,439	1,349,805
Activities to generate funds	3,395	-	3,395
<b>Total incoming resources</b>	<b>10,169,188</b>	<b>608,439</b>	<b>10,777,627</b>
<b>Expenditure on:</b>			
<b>Raising funds</b>			
Financing costs	32,172	-	32,172
Investment management	16,440	-	16,440
<b>Total deductible costs</b>	<b>48,612</b>	<b>-</b>	<b>48,612</b>
<b>Charitable activities</b>			
Education and grant making	9,338,013	14,000	9,352,013
<b>Total expenditure</b>	<b>9,386,625</b>	<b>14,000</b>	<b>9,400,625</b>
<b>Net incoming funds from operation: before transfers and investment gains</b>	<b>782,563</b>	<b>594,439</b>	<b>1,377,002</b>
Gains on investments	397,859	-	397,859
<b>Net movement in funds for the year</b>	<b>1,180,422</b>	<b>594,439</b>	<b>1,774,861</b>
Fund balances brought forward at 1 September 2020	13,881,178	102,667	13,983,845
<b>Fund balances carried forward at 31 August 2021</b>	<b>15,061,600</b>	<b>697,106</b>	<b>15,758,706</b>