

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

**REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019
FOR
NEWCASTLE-UNDER-LYME SCHOOL**

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

NEWCASTLE-UNDER-LYME SCHOOL
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YEAR ENDED 30 JUNE 2019

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NEWCASTLE-UNDER-LYME SCHOOL
GOVERNORS, OFFICERS AND ADVISERS
YEAR ENDED 30 JUNE 2019

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.

		Business Committee	Employment and Compliance Committee
Dr S Edmends MBBS, FRCA, MMedSci(Keele)			•
Mr R Foster	(From 12 Dec 2018)		•
Mrs J A Grant BA			•
Mr A McGowan			•
Mr D R Holland MA		•	
Mr I G R MacDonald LL.B, Dip.LP, MBA		•	
Mrs K A Miller BSc, ACA (Vice-Chair)		•	
Mr G E Neyt LL.B		•	
Ms F Tordoff			•
Mr D P Wallbank BA (Chair)		•	•
Mr M R Warren BA, M.Arch	(To 11 Sep 2019)	•	
Ms Lorraine Clews	(From 01 Aug 2019)		

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

OFFICERS

Mrs S Barnett

Clerk to the Governors

OFFICERS

(key management personnel currently and throughout the year)

Mr M Getty	Headmaster (from 01 Sep 2018)
Mr A Cryer	Assistant Bursar (Finance)
Mr I Dicksee	Deputy Head (Academic)
Mr M Erian	Deputy Head of Preparatory School
Mrs B Godridge	Assistant Head (Head of Sixth Form)
Mrs A Keay	Assistant Head (Teaching and Learning)
Mr R Lench	Assistant Head (Co-Curricular)
Mr A Poole	Assistant Head (Pastoral)
Mrs J Simms	Deputy Head (Pastoral)
Mr N Vernon	Headmaster (to 31 Aug 2018) and Head of Preparatory School (from 1 Sep 2018)

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 30 JUNE 2019**

The members of the Newcastle-under-Lyme School Governing Body present their Annual Report for the year ended 30 June 2019 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. 6611453, 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 department, 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.

GCE "Advanced Level" performance 2019

Students at Newcastle-under-Lyme School have delivered a strong set of A Level results. 73 per cent of entries have been awarded A* to B grades.

Furthermore the School has seen an increase in the proportion of entries gaining the highest A* award as they continue to strive to deliver the highest academic quality and value to all our students.

GCSE performance 2019

Newcastle-under-Lyme School has delivered an even stronger set of GCSE results this year with an impressive 64% grade A*-A pass rate.

Fundraising performance. Grants and donations totalled £400 (2017-18: £3,758)

Investment performance. At the end of the year the net value of the School's investments in securities totalled £2,623,683 (2017-18: £2,582,222), an increase of 2%.

The investment strategy aims for the portfolio to look to produce dividend income of £45k to £50K per annum. In 2018-19 dividend income was £76,631 (2017-18: £73,401).

**NEWCASTLE-UNDER-LYME SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 30 JUNE 2019**

FINANCIAL REVIEW

Results for the year

The School's net movement in funds for the year amounted to £55,934 (2017-18: £509,019). The net incoming funds from operations for the year were negative £3,920 (2017-18: positive £413,789) as shown in the Statement of Financial Activities.

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 £14,581,652 (2017-18: £14,525,718) at the year end included £116,667 (2017-18: £130,667) unspent restricted income, which does not affect the School's financial viability.

Future Plans

Plans are in place to appoint a Director of Finance and Operations in due course to replace the currently vacant post of Bursar.

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 new post of Director of Finance and Operations/(Bursar) will be line managed by the Head rather than the Governors.

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.

**NEWCASTLE-UNDER-LYME SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 30 JUNE 2019**

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, 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 two Committees.

- The Business Committee acts in a monitoring and advisory role for all aspects of the School's financial operations, scrutinising revenue, the budget and capital expenditure. The Committee also supervise and finalise the audited financial statements and annual report for approval by the Governing Body. The Business Committee was chaired by Mrs K Miller.
- The Employment and Compliance Committee monitors all aspects of the School's employment and health and safety policies and their implementation. The Employment and Compliance Committee was chaired by Dr S Edmonds.

The Headmaster has overall responsibility for the running of the School including its marketing, the appointment, management and dismissal of teaching staff, business and financial administration, strategic planning and formulation of policies for the approval of the Governing Body. The Bursar is responsible in general for the day-to-day financial affairs of the School, health and safety, the appointment, management and dismissal of support staff, the preparation of budgets and management accounts and the maintenance of properties, plants and grounds. The Bursar is required to assist the Headmaster with the Headmaster's responsibilities. The Headmaster is responsible for the day-to-day management of all other aspects of the School and consults regularly with his Senior Management Team. The Headmaster and the Bursar attend all meetings of the Governing Body's Committees.

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.

**NEWCASTLE-UNDER-LYME SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 30 JUNE 2019**

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.

NEWCASTLE-UNDER-LYME SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 30 JUNE 2019

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.

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 them a sense of their own self-worth and of the value of service to others, thus preparing them for a life beyond school.

**NEWCASTLE-UNDER-LYME SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 30 JUNE 2019**

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.

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.

NEWCASTLE-UNDER-LYME SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 30 JUNE 2019

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:

	2018-19	2017-18
Senior School	566	598
Junior School	239	242
Total	805	840

Maintaining the average number of pupils in the Junior School gives confidence that the School can continue to operate for the foreseeable future. Our success is a result of the resolve to maintain the high standards for which Newcastle-under-Lyme School is known.

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 Board 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.

This year the School awarded bursaries of £410,176 to 61 pupils (2017-18: £424,553 to 63 pupils) through a programme of means tested awards awarded on a sliding scale according to financial circumstances.

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

NEWCASTLE-UNDER-LYME SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 30 JUNE 2019

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.

Music: Fortnightly throughout the year, Concertante Strings (part of Entrust) directed by a member of our Music Department, meets with a mix of our own students and those from state schools. School musicians presented an annual concert in support of local charity the Penkhull Festival of Music and Art, to which local primary schools are also invited. Our Wind Band played for Merryfields School annual Christmas Fayre.

Junior School: The Junior School hosted the Newcastle Schools' Swimming Gala and other sports events in which state school pupils took part. The Junior School also took part in a range of fixtures against local state Schools. A local primary school uses our facilities for weekly training and an annual sports day.

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. We hosted the annual Newcastle Senior Schools Gala.

Debating: We took part in the annual Rotary Youth Speaks competition in which our pupils competed against pupils from a local college, alongside a range of other debating competitions.

MFL: Pupils from Year 10 took part in a Business Languages Champions competition competing with pupils from a range of state schools. The Spanish Department's Skype Project saw our pupils working with those from *El Centra San Luis* in Bilbao, Spain.

Young Enterprise: Our Young Enterprise groups supported the local programme and take part in events which bring together Sixth Form students from a broad range of local Schools, especially at the Trade Fair event and at the Area Finals.

Primary School Link: Pupils from Greenways primary school were invited to a local theatre to see a performance of 'Me and My Girl' by our Senior School Pupils.

Oxbridge: Our Oxbridge evening was attended by pupils and parents from a range of local state schools.

Sharing our expertise and perspectives:

Our School has much to offer in terms of expertise and insight in teaching and learning and beyond. We are always looking for new ways to share our knowledge.

University Entrance: Pupils from local schools took part in an Oxbridge Evening organised by our Oxbridge co-ordinator. A member of our staff mentored Oxbridge candidates at a local Catholic Academy.

NEWCASTLE-UNDER-LYME SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 30 JUNE 2019

Sport: Local state Schools came to us as part of exam board PE moderation. Members of our PE Department organised events for other Schools including local cup competitions and leagues.

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

CCF: Our CCF staff have helped a local school to establish their own cadet groups.

DT: Our DT department hosted a Technology Day, sharing expertise with staff and pupils from a local primary school.

Science: Year 6 pupils from a local primary school used our science labs for lessons with our school staff.

Careers: Our Head of Careers developed links with a local secondary school 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, Paragon Swimming and Potteries Badminton, sharing facilities and 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 local charity the Dougie Mac Hospice. In all, more than £4000 was donated to the charity. We also ran an Easter egg collection for the Alice Charity and a Christmas Jumper Day for the Donna Louise Trust raising £600. In the Junior School £2000 was raised for a range of charities including Children in Need and Macmillan Cancer Care.

Music: Members of our Senior Choir (including the soprano soloist in Fauré Requiem), performed with the choir of St Mary's Church, Stafford, in a joint service for All Souls' Day. We also provided all the vocal scores and instrumental parts for the combined group. In December 2018, we hosted a Senior Citizens' Tea Party, bringing together elderly people from the local community and local care homes. Pupils raised funds to support the event. Our musicians performed for the party. Our Wind Band played for Merryfields School annual Christmas Fayre. In May 2019, Members of our Senior Choir performed with the choir of St Mary's Church, Stafford, in a joint service for Ascension. We also provided all the vocal scores and instrumental parts for the combined group. In June 2019, our Wind Band played for Hempstalls Care Home Summer Open Day. In July 2019, our Tea and Trumpets concert also involving former pupils and friends of the school supported the Dougie Mac Hospice. £300 was raised at this event. Our Music facilities are used at no cost by a local Symphony Orchestra,

NEWCASTLE-UNDER-LYME SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
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Community Theatre Group and Pipe Band. Our Choral Society rehearsals are open to all friends of the school and the local community run by our Director of Music and leading to a concert in Spring.

DofE: All pupils completing the DofE Awards undertake a volunteering section working at organisations as diverse as care homes, charity shops and wildlife sanctuaries. In addition, a number of our pupils choose to volunteer in the local area as an alternative to their Sixth Form Games lessons.

Sixth Form Curriculum: All Lower Sixth students are expected to carry out 20 hours of community volunteering as part of their programme. Students volunteer in a range of settings across the community.

Activities Days: Community Volunteering is now a part of our activities day programme and pupils have supported a range of local projects including the Peter Pan Centre, Dougie Mac and Silverdale and Apedale Country parks.

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.

Business community: We are a part of our local community in supporting the New Vic Theatre and as members of the local Chamber of Commerce.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the School. Although the School is not full, the numbers on roll remains reasonably consistent and strong. Recruitment of new pupils to the Junior School and to Year 7 in the Senior School has been challenging.

Fees for the academic year 2017-18 were increased by 2%, and for 2018-19 the Governors have increased fees by a further 5.0%, ensuring that fees are still the best value for the area.

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 and a Health and Safety Committee was formed in the year.

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

NEWCASTLE-UNDER-LYME SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 30 JUNE 2019

FUTURE PLANS

The School's current Development Plan is subject to periodic review by the Governors, and has been updated in the light of the appointment of a new Headmaster. 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 Junior 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 30 JUNE 2019**

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 2015 (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.

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 12 December 2019 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 30 June 2019 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 30 June 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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.

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. This description forms part of our auditor's report.

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

18 December 2019

**NEWCASTLE-UNDER-LYME SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Income and endowments from:					
Charitable activities					
School fees receivable	2	8,461,659	-	8,461,659	8,694,597
Ancillary trading income	3	711,742	-	711,742	710,255
Other trading activities					
Non-ancillary trading income	4	49,804	-	49,804	57,080
Investments	5	82,637	-	82,637	75,730
Voluntary incoming sources	6	97,643	-	97,643	56,482
Activities to generate funds	7	400	-	400	3,758
Total incoming resources		9,403,885	-	9,403,885	9,597,902
Expenditure on:					
Raising funds					
Financing costs	8	44,886	-	44,886	37,890
Investment management		19,325	-	19,325	19,480
Total deductible costs		64,211	-	64,211	57,370
Charitable activities					
Education and grant making	8	9,329,594	14,000	9,343,594	9,126,743
Total expenditure		9,393,805	14,000	9,407,805	9,184,113
Net incoming funds from operation: before transfers and investment gains		10,080	(14,000)	(3,920)	413,789
Gains on investments		59,854	-	59,854	95,230
Net movement in funds for the year		69,934	(14,000)	55,934	509,019
Fund balances brought forward at 1 July 2018		14,395,051	130,667	14,525,718	14,016,699
Fund balances carried forward at 30 June 2019		14,464,985	116,667	14,581,652	14,525,718

The notes form part of these financial statements

**NEWCASTLE-UNDER-LYME SCHOOL
BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 Total £	2018 Total £
FIXED ASSETS			
Tangible assets	10	11,332,490	11,359,870
Securities investments	11	2,514,245	2,484,718
		<u>13,846,735</u>	<u>13,844,588</u>
CURRENT ASSETS			
Stock		13,825	11,227
Debtors	12	678,772	588,806
Securities investments – cash balances	11	109,438	97,504
Cash and deposits		2,584,027	2,701,931
		<u>3,386,062</u>	<u>3,399,468</u>
CURRENT LIABILITIES			
Amounts falling due within one year	13	(1,699,900)	(1,653,896)
NET CURRENT ASSETS			
		<u>1,686,162</u>	<u>1,745,572</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		15,532,897	15,590,160
LONG TERM LIABILITIES			
Creditors payable after one year	14	(951,245)	(1,064,442)
NET ASSETS			
		<u>14,581,652</u>	<u>14,525,718</u>
REPRESENTED BY:			
Unrestricted funds		14,464,985	14,395,051
Restricted funds		116,667	130,667
	16	<u>14,581,652</u>	<u>14,525,718</u>

These financial statements were approved by the Governing Body on 12 December 2019 and were signed on its behalf by:



Mrs K A Miller
(Chair of the Business Committee)

NEWCASTLE-UNDER-LYME SCHOOL
CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019		2018	
	£	£	£	£
Cash flows from operating activities				
Net cash provided by operating activities		329,804		764,259
Cash flows from investing activities				
Dividends and interest from investments	82,637		75,730	
Purchase of property, plant and equipment	(437,512)		(209,955)	
Proceeds from sale of investments	19,275		19,388	
Purchase of investments	(882)		(648)	
Net cash provided (used in) investing activities		(336,482)		(115,485)
Cash flows from financing activities				
Repayments of borrowing	(111,226)		(115,151)	
Net cash provided by (used in) financing activities		(111,226)		(115,151)
Change in cash and cash equivalents		(117,904)		533,623
Cash in hand at 01 July 2018		2,701,931		2,168,308
Cash in hand at 30 June 2019		<u>2,584,027</u>		<u>2,701,931</u>
Reconciliation of net income to net cash flow from operations				
Net incoming funds as per the Statement of Financial Activities		(3,920)		413,789
Adjustments for:				
Depreciation charges		464,892		470,841
Dividends and interest from investments		(82,637)		(75,730)
(Increase)/decrease in stocks		(2,598)		251
(Increase)/decrease in debtors		(89,966)		(22,197)
Increase/(decrease) in creditors		44,033		(22,695)
Net cash provided by operating activities		<u>329,804</u>		<u>764,259</u>

The notes form part of these financial statements

NEWCASTLE-UNDER-LYME SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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) issued on 16 July 2014, 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 College 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 30 JUNE 2019

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	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 30 JUNE 2019

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 these 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.

NEWCASTLE-UNDER-LYME SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

2. SCHOOL FEES RECEIVABLE	2019	2018
	£	£
Fees receivable consist of:		
School fees	9,143,417	9,371,848
Less: total scholarships, bursaries and concessions	(681,758)	(677,251)
	<u>8,461,659</u>	<u>8,694,597</u>
3. ANCILLARY TRADING INCOME	2019	2018
	£	£
Catering income	644,559	659,934
Out of hours school care	20,426	18,552
Sundry income	46,757	31,769
	<u>711,742</u>	<u>710,255</u>
4. NON ANCILLARY TRADING INCOME	2019	2018
	£	£
Rents and lettings	49,804	57,080
5. INVESTMENT INCOME	2019	2018
	£	£
Investments	76,631	73,401
Bank interest	6,006	2,329
	<u>82,637</u>	<u>75,730</u>
6. VOLUNTARY INCOMING RESOURCES	2019	2018
	£	£
Bequests and legacies	29,192	26,036
Grants	59,982	19,332
Gifts in kind for the School's own use	8,469	11,114
	<u>97,643</u>	<u>56,482</u>
7. ACTIVITIES TO GENERATE FUNDS	2019	2018
	£	£
Fundraising proceeds		
Sundry donations raised	400	3,758

NEWCASTLE-UNDER-LYME SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

8. ANALYSIS OF EXPENDITURE

	Staff costs (note 9) £	Depreciation (note 10) £	Other £	2019 £
(a) Total Expenditure				
Cost of generating funds				
Financing costs	-	-	44,886	44,886
Investment management	-	-	19,325	19,325
Total cost of generating funds	-	-	64,211	64,211
Charitable expenditure				
Education and grant making				
Teaching	5,604,784	85,054	629,051	6,318,889
Welfare	339,160	-	344,405	683,565
Premises repair and maintenance	530,865	293,065	610,614	1,434,544
Support costs and governance	494,797	86,773	325,026	906,596
Total charitable expenditure	6,969,606	464,892	1,909,096	9,343,594
Total expended	6,969,606	464,892	1,973,307	9,407,805
				2018 £
Cost of generating funds				
Financing costs	-	-	37,890	37,890
Investment management	-	-	19,480	19,480
Total cost of generating funds	-	-	57,370	57,370
Charitable expenditure				
Education and grant making				
Teaching	5,372,543	85,489	623,282	6,081,314
Welfare	335,233	-	354,151	689,384
Premises repair and maintenance	517,526	293,065	588,413	1,399,004
Support costs and governance	490,101	92,287	374,653	957,041
Total charitable expenditure	6,715,403	470,841	1,940,499	9,126,743
Total expended	6,715,403	470,841	1,997,869	9,184,113
(b) Governance included in support costs			2019 £	2018 £
Remuneration paid to auditor for audit services			10,188	8,676
Reimbursement of personal expenses to Governors			651	462
Other governance costs			17,935	23,199

NEWCASTLE-UNDER-LYME SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

9. STAFF COSTS

	2019	2018
	£	£
The aggregate payroll costs for the year were:		
Wages and salaries	5,512,278	5,342,201
Benefits in kind	317,344	285,740
Social security costs	488,378	469,717
Other pension costs	651,606	617,745
Redundancy/termination payments	-	-
	6,969,606	6,715,403

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.

	2019	2018
Aggregate employee benefits of key management personnel	£431,987	£366,251
Number of higher paid employees in bands of:		
£60,001 to £70,000	4	4
£70,001 to £80,000	0	0
£100,001 to £110,000	1	1

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

Teaching staff	93	92
Administration	15	18
Support staff	127	133
	235	243

NEWCASTLE-UNDER-LYME SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

10. TANGIBLE FIXED ASSETS

	Freehold property £	Non- educational equipment £	Educational books, equipment and furniture £	Assets in the course of construction £	Totals £
Cost or frozen valuation					
At 1 July 2018	13,879,326	1,004,704	1,732,838	30,723	16,647,591
Additions	-	90,882	271,916	74,714	437,512
Reclassification	-	-	30,723	(30,723)	-
Disposals	-	(61,866)	(359,297)	-	(421,163)
At 30 June 2019	13,879,326	1,033,720	1,676,180	74,714	16,663,940
Depreciation					
At 1 July 2018	3,411,351	709,726	1,166,644	-	5,287,721
Charge for the year	293,065	85,054	86,773	-	464,892
Eliminated on disposal	-	(61,866)	(359,297)	-	(421,163)
At 30 June 2019	3,704,416	732,914	894,120	-	5,331,450
Net Book Value					
At 30 June 2019	10,174,910	300,806	782,060	74,714	11,332,490
At 30 June 2018	10,467,975	294,978	566,194	30,723	11,359,870

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 sports hall, included in freehold property for £120,000 as a condition of monies granted to the School.

NEWCASTLE-UNDER-LYME SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019 £	2018 £
11. INVESTMENTS		
Market Value 1 July 2018	2,484,718	2,466,576
New money invested	-	-
Reinvested income	882	648
Amounts extracted	-	-
Investment management fees	(19,325)	(19,480)
Increase in value of investments	47,970	36,974
Market Value 30 June 2019	2,514,245	2,484,718
Cash balances	109,438	97,504
	2,623,683	2,582,222
The cost of the above investments was	2,214,537	2,226,930

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

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Fees and extras	520,772	406,734
Other debtors	54,461	55,290
Other prepayments and accrued income	103,539	126,782
	678,772	588,806

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans (note 15)	117,510	115,539
Trade creditors	243,675	265,821
Other creditors	398,913	327,021
Accruals and deferred income	939,802	945,515
	1,699,900	1,653,896

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 now shown as falling due within one year, and the comparative has been adjusted accordingly. 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 30 JUNE 2019

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2019	2018
	£	£
Bank loans (note 15)	951,245	1,064,442

15. BANK LOANS

Loans repayable, included within creditors, are analysed as follows:	2019	2018
	£	£
Bank loans repayable within one year	117,510	115,539
Bank loans repayable between one to two years	116,570	117,607
Bank loans repayable between two to five years	193,535	275,182
Bank loans repayable after more than five years	641,140	671,653
	1,068,755	1,179,981

The School has two bank loans totalling £1,068,755 (201: £1,179,981) with National Westminster Bank Plc which are secured against the freehold property of the School. The first loan of £265,280 (2018: £349,655) is repayable over the period to 2023 with an interest rate of 1% above the bank base rate. The second loan of £803,475 (2017: £830,326) is repayable over the period to 2039 with an interest rate of 2.06% above the bank base rate.

16. MOVEMENT IN FUNDS

	At 1.7.18	Net movement in funds	At 30.6.19
	£	£	£
Unrestricted funds			
General fund	14,395,051	69,934	14,464,985
Restricted funds			
General	130,667	(14,000)	116,667
TOTAL FUNDS	14,525,718	55,934	14,581,652

Net movement in funds, included in the above are:

	Incoming resources	Resources expended	Gains and losses	Net movement in funds
	£	£	£	£
Unrestricted funds				
General fund	9,403,885	(9,393,805)	59,854	69,934
Restricted funds				
General	-	(14,000)	-	(14,000)
TOTAL FUNDS	9,403,885	(9,407,805)	59,854	55,934

NEWCASTLE-UNDER-LYME SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted	Unrestricted	2019
	£	£	£
Tangible fixed assets	116,667	11,215,823	11,332,490
Securities investments	-	2,514,245	2,514,245
Net current assets	-	1,686,162	1,686,162
Long term liabilities	-	(951,245)	(951,245)
	<u>116,667</u>	<u>14,464,985</u>	<u>14,581,652</u>

	Restricted	Unrestricted	2018
	£	£	£
Tangible fixed assets	130,667	11,229,203	11,359,870
Securities investments	-	2,484,718	2,484,718
Net current assets	-	1,745,572	1,745,572
Long term liabilities	-	(1,064,442)	(1,064,442)
	<u>130,667</u>	<u>14,395,051</u>	<u>14,525,718</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 £556,502 (2017-18: £524,980) and at the year end £72,960 (2017-18: £69,357) 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/Sargent 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 30 JUNE 2019

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 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.

In view of the above rulings and decision the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal 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 year amounted to £95,104 (2017-18: £96,625) and at the year end £13,987 (2017-18: £12,956) was accrued in respect of contributions to this scheme.

19. CAPITAL COMMITMENTS

	2019	2018
	£	£
Contracted but not provided in the financial statements	-	-

20. OPERATING LEASE COMMITMENTS

	2019	2018
	£	£
Future minimum lease payments due at the end of the year were		
Between 1 and 5 years	100,497	140,298

**NEWCASTLE-UNDER-LYME SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

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
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FOR THE YEAR ENDED 30 JUNE 2019

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

	Unrestricted funds £	Restricted funds £	2018 £
Income and endowments from:			
Charitable activities			
School fees receivable	8,694,597	-	8,694,597
Ancillary trading income	710,255	-	710,255
Other trading activities			
Non-ancillary trading income	57,080		57,080
Investments	75,730	-	75,730
Voluntary incoming sources	56,482	-	56,482
Activities to generate funds	3,758	-	3,758
Total incoming resources	9,597,902	-	9,597,902
Expenditure on:			
Raising funds			
Financing costs	37,890	-	37,890
Investment management	19,480	-	19,480
Total deductible costs	57,370	-	57,370
Charitable activities			
Education and grant making	9,112,743	14,000	9,126,743
Total expenditure	9,170,113	14,000	9,184,113
Net incoming funds from operation: before transfers and investment gains	427,789	(14,000)	413,789
Gains on investments	95,230	-	95,230
Net movement in funds for the year	523,019	(14,000)	509,019
Fund balances brought forward at 1 July 2017	13,872,032	144,667	14,016,699
Fund balances carried forward at 30 June 2018	14,395,051	130,667	14,525,718