

Company Registration Number: 09098446 (England & Wales)

**HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS)
TRUST**

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2021

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

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HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

R G Cooper, Archdeacon of Sunderland
Rev P R Butler, Bishop of Durham
D J Pickersgill, Chair of Governors
P Rikeard, Diocese of Durham Educational Trust

Governors

D J Pickersgill, Chair¹
A Gedling, Vice Chair¹
J Allan (resigned 15 November 2020)
E Clayton (resigned 8 December 2020)
J M Gammon¹
A Lock (appointed 20 November 2020)
A McMahon (appointed 20 November 2020)
E Middleton
T L Murphy, Headteacher/CEO and Accounting Officer¹
R Swan (resigned 15 November 2020)

¹ Members of the Finance, Buildings and Audit Committee

Company registered number

09098446

Company name

Holy Trinity Church of England Academy (South Shields) Trust

Principal and registered office

Brockley Avenue
South Shields
Tyne and Wear
NE34 6QZ

Company secretary

C Henderson

Senior leadership team

T L Murphy, Headteacher
R Scott, Assistant Headteacher
A Spark, Assistant Headteacher
J Marshall, Academy Business Manager
S Finn, Academy Bursar

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Independent auditors

Clive Owen LLP
Chartered Accountants
& Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

Lloyds Bank plc
101 King Street
South Shields
Tyne and Wear
NE33 1DT

Solicitors

Samuel Phillips
Floor 5
18-24 Grey Street
Newcastle upon Tyne
NE1 6AE

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
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**GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2021**

The Governors present their annual report together with the financial statements and auditor's report of the academy for the period ended 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The academy trust operates as a Church of England Academy for pupils aged 3 to 11 years, serving the local areas of West Harton and All Saints' Ward in South Shields. It has a pupil capacity of 210 and a roll of 211 in the school census on 3 October 2021. The Academy provides an education for pupils of all abilities.

Structure, governance and management

Constitution

The academy is a charitable company limited by guarantee (registration no. 09098446) and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy.

The Governors of Holy Trinity Church of England Academy (South Shields) Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Holy Trinity CE Academy (South Shields).

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

Every Governor of the academy shall be indemnified out of the assets of the academy against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty or breach of trust in relation to the affairs of the academy. The academy has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business.

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**GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021**

Structure, governance and management (continued)

Method of recruitment and appointment or election of Governors

Membership is determined in accordance with the composition set out in Article 12 of the Funding Agreement and shall comprise of:-

Four Members

- the Diocese of Durham Educational Trust;
- the Bishop of Durham being a corporation sole;
- the Archdeacon of Sunderland; and
- the Chair of the Governing Body.

The Governors shall appoint a minimum of 8 Governors as follows:

- a) 3 persons nominated by the Durham Diocesan Board of Education;
- b) 1 person nominated by the parochial church council of All Saints, South Shields;
- c) 3 persons who shall at the time of their appointment be parents of children in the academy;
- d) The Incumbent or Priest in Charge of All Saints' South Shields Team Ministry.

The Members may appoint Staff Governors through such process as they shall determine but shall ensure that the total number of Governors including the Holy Trinity Principal who are employees of the Company does not exceed one third of the total number of Governors. The term of office for any Governor shall be 4 years, although this limit does not extend to the Headteacher of the academy. Governors are permitted to stand for re-election at the meeting at which they retire, should they remain eligible to do so. New Governors are recruited in accordance with the academy's Articles of Association and Article 16 of the Funding Agreement.

Policies adopted for the induction and training of Governors

The training and induction provided for new Governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

A programme of Governor CPD runs throughout the year.

Although a formal policy for induction and training of Governors has not been agreed, training is provided by South Tyneside Council through their training programme (which is open to all Governors). The following training has specifically taken place for our Governors:

- OFSTED inspection information,
- Safer recruitment of staff,
- Safeguarding the welfare of pupils.

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GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Organisational structure

The academy's unified management structure consist of three levels:

- the Governing Body,
- the Senior Leadership Team (SLT),
- the Academy Business Manager.

The Governors are responsible for determining general policy, adopting an annual School Improvement Plan following a self-evaluation review, monitoring the practices and procedures adopted by the academy, determining strategic direction of the academy, capital expenditure and senior staff appointments. They delegate the day to day operational management to the SLT who follow policies determined by and adopted by the Governors.

The SLT consists of the Headteacher, and two Assistant Headteachers, the Academy Business Manager and the Academy Bursar. The SLT lead and manage the academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher and the Governors are responsible for authorisation of spending with agreed budgets as stated in the Scheme of Delegation and Finance Handbook and the appointment of staff.

The academy School Business Manager is responsible for the management of the financial systems, sourcing additional funds, ensuring efficient and effective use of resources. The academy School Business Manager is responsible for the efficient operation of the school office.

The Headteacher is the Accounting Officer for the academy.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel is the responsibility of the staffing committee. The staffing committee consider recommendations for the pay and remuneration of the teaching staff and the SLT, from the Headteacher. These staff will have been subject to Performance Management according to the guidelines in the Appraisal Policy and subject to the conditions laid down in the Whole School Pay Policy.

The pay and remuneration of the Headteacher is decided by members of the staffing committee and a suitably trained and experienced external adviser. This is determined on or before 31 December on an annual basis.

Trade union facility time

Not applicable as the academy has less than 49 FTE employees.

Related Parties and other Connected Charities and Organisations

Governors are required to declare any business interests that may impact on the academy. The adopted policy is that if interests are declared then the Governor will remove themselves from the relevant decision making process.

Related parties at Holy Trinity Church of England Academy are the Diocese, the Deanery and the church community, with regular information sent to the Director of the Board of Education.

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GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company is the operation of Holy Trinity CE Academy (South Shields) to provide education for pupils of different abilities between the ages of 3-11 years old. In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specified, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculums should comply with the substance of the national curriculum.

The main objectives of the academy during the year ended 31 August 2021 are as summarised below:

Our mission is to create a safe and welcoming learning environment within which all children are able to realise their potential.

Ethos Statement:

Holy Trinity Church of England Academy (South Shields) seeks to build a strong educational foundation in accordance with Christian principles and values, in partnership with the Church at local, Deanery and Diocesan levels, developing a Christ-centred community where each person can fulfil the potential God has given them.

It seeks to encourage understanding of the meaning and significance of faith, and to promote Christian values through the experience it offers, while respecting the diversity of background and values within our school and wider communities.

Aims of the school:

- To provide a welcoming, caring and supportive environment in which Christian values are central to the life of the school;
- Striving for excellence in teaching, learning and all aspects of school life;
- To provide a rich and varied experience of learning which is
 - enjoyable;
 - rewarding;
 - builds confidence;
 - helps develop good working habits;
 - incorporates opportunities to reflect;
 - fosters attitudes based on honesty, trust, tolerance, understanding and respect for others that develop from a sense of self-worth;
 - develops lively, enquiring minds with the ability to question, investigate, and solve problems; begins to form the personal values that will help children make sense of the world in which they live and form positive relationships;
- To help children grow in their own faith, and through that, to come to respect and understand other faiths and other ways of life;
- To help children to form the values that will help them make moral decisions and choices throughout their lives;
- To nurture and develop those skills and attitudes necessary for children to be able to take responsibility for their own learning and behaviour;
- To nurture links with parents/carers, the Church and the local community.

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GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Objectives and activities (continued)

Objectives, strategies and activities

Holy Trinity CE Academy (South Shields) is non-selective and offers all pupils a broad and challenging curriculum. The academy has wide community links and, to meet its needs, operates a breakfast club and after-school activities. Academy pupils are given opportunities to participate in activities outside of the school day which help to build confidence and enhance learning for all.

The academy believes that it is important to expand on learning beyond the classroom and as such organises trips and visits for children of all ages throughout the academic year. These activities allow pupils to interact with children from other schools throughout the country and raises their awareness of regional similarities and differences. The objectives for the year ahead are as follows:-

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education for students between the ages of 3 and 11.

Public benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Governors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Governors have considered this guidance in deciding what activities the academy should undertake.

Strategic report

Achievements and performance

Objectives Achieved 2020/2021

To raise standards across the academy

The objectives for the Academy School Improvement Plan were as follows:

To raise attainment in Mathematics throughout the academy

- Staff training provided for teaching staff on the Maths Recovery curriculum.
- Importance of ready to progress criteria discussed, and the importance of teaching vocabulary and practical equipment.
- Progression documents written for each year group covering 3 levels of differentiation.
- New rules and routines established quickly and consistently across school for all children.
- New long term plan developed for smaller classes.
- Discussion in the summer term with Y1 teacher identifying objectives not covered in EYFS.

Evaluation

- Children have made better than expected progress in Maths.
- Children have a firm grounding in PV and the four rules of number.
- Focus has to be now on reasoning and mastery.
- Teachers need to focus on areas which have not been covered as deeply.

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GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

To raise attainment in reading throughout the academy

- Accurate baseline assessment of children's reading level right throughout the school.
- Staff to identify on planning the use of another adult.
- Staff to identify on planning which books they are reading throughout the week.
- Staff to identify links to other curriculum areas through the text.
- Staff to be given a list of recommended reads to use with their class.
- Investigate other digital resources to develop children's reading comprehension.
- Interventions i.e. reciprocal reading groups to develop inference and deduction skills.
- Academy to engage with the Nuffield Early Language Programme.
- Academy to sign up to National Tutoring Programme.

Evaluation

- The number of reciprocal reading sessions has increased. The groups have been grouped according to ability and those requiring additional support have been provided with extra sessions. We have purchased more books for use as reciprocal reading texts and the children have been very enthusiastic.
- There is an allocated class novel time on the weekly timetable. There is more discussion about reading for pleasure in KS2 – books purchased for reading with pleasure, pupils recommending books to staff and peers.
- Reading Plus used in Year 5 and Year 6 regularly to encourage increased development in comprehension.
- Staff have been provided with recommended reads that are age-appropriate.
- Additional reading books have been purchased for Early Years to ensure books match phonic development.
- All pupils were reassessed when returned to school and allocated bands accordingly.
- Pupils working behind expectations are read with on a daily basis to ensure they are developing more confidence.
- Reading prizes – introduced in some classes to encourage reading at home.

To raise attainment and accelerate progress of children who are absent from school through COVID symptoms through the development of the Recovery Curriculum

Actions

- Identify learning objective gaps in curriculum coverage and integrate into Long Term plan.
- Curriculum co-ordinators to discuss with individual staff the appropriateness of topics following the significant absence of children from school.
- Curriculum lead to undertake comprehensive review of topics to be covered.
- Discuss with curriculum co-ordinators topic changes.
- Identify key learning that may be missed that will need to be integrated in future academic years to ensure curriculum entitlement.
- Renewal of subscription to Cornerstones to enable staff to design new topics where appropriate.
- New long term plans for curriculum in place ready to begin Spring 2021.
- School Recovery Curriculum staff training provided for all staff. Focused on the 5 levers by Barry Carpenter (2020): relationships, community, transparent curriculum, metacognition and space. Impact on the lives of our children considered, as well as the effect of trauma on the brain. 4 principles of nurture discussed.

Evaluation

- All subject leaders completed an audit of their subject looking at objectives missed and how they could be covered in future lessons and topics.
- All teaching staff were then shown what they still needed to cover and how this could be delivered.

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GOVERNORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

- This was started in September however was then impacted by the second lockdown and children were unable to catch up and staff were unable to deliver all these missing objectives in the suggested ways.
- It was decided that any lessons / objectives which were delivered during the second lockdown either in class or remotely would have to be revisited.
- This was because a scrutiny of the home learning books showed that it was not as effective as we would have liked and some children didn't complete tasks correctly.
- It was also felt that the children in class were not as focused as usual due to the circumstances and their work would need revisiting too.
- In May, subject leaders completed a second curriculum objective audit and have once again completed a subject guide on which objectives still haven't been covered and suggestions for where this could take place.
- We are now at the stage where some of the objectives will have to be covered next year.
- Most science units have been caught up with and the computing curriculum has been changed and extended for next year to catch up on the missed objectives.
- The second recovery curriculum has been shared with staff at the end of June allowing 4 weeks to cover some of the objectives and the class teachers (who are mainly moving up with their classes) will know what objectives from previous year groups still need covering.
- This has also allowed subject leads an insight into exactly where their subject is across school and how it has been impacted.

To raise attainment and accelerate progress of children who are absent from school through COVID symptoms through the use of Remote Learning.

Actions

- Develop, implement and continually evaluate the Remote Learning Policy for the school.
- Curriculum areas identified which will be best suited to online learning.
- Lead person identified to deliver staff CPD on digital platform to be used to deliver online learning.
- CPD delivered to all staff.
- Technician to set up accounts for all children who are to have access to remote learning.
- Audit to be undertaken of all children to identify who has access to effective digital technology.
- Microsoft Teams to be integrated into the computing curriculum.
- Parent guide to be created on Teams.
- Potential purchase of additional devices to support remote learning.
- Apply for DfE funded technology.
- Monitor and record pupil engagement in remote learning and provide feedback.
- Ensure remote learning is differentiated for SEND children.
- Increase the amount of online tasks for homework.
- Homework policy to be reviewed to reflect digital learning.

Evaluation

- Different platforms used to make the learning more relevant and accessible for pupils.
- Key Stage 1 used Class Dojo and recorded lessons for their children at home. Staff were able to see the children's work and answer question. It was felt this was more suitable for the children at that age and they could work alongside their parents.
- Key Stage 2 used Microsoft Teams – all children had been prepared to use it. It worked well especially in Years 4,5 and 6.
- Microsoft Teams to be introduced early in year 3 to prepare for remote learning.

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GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

- Homework that is to be set will have a greater focus on digital and online learning in Key Stage 2. Member of staff to be given responsibility for this.
- School encouraged as many children as was safely possible to attend school, children not in school were taught the same lessons at the same time via Teams.
- Children who did not have a laptop or Wi-Fi were supported. DfE supplied 105 laptops.
- Quality of the work produced at home was good in the majority of cases. Children who were present online were not always focused on the lessons objectives. Children were in a routine, this supported their mental health and engaged some parents. As a school it slowed the decline in learning however the effect on progress was minimal.
- SLT completed the DfE 'Review your Remote Education' Document – findings from this were actioned.
- Evidence from this identified areas for improvement which were subsequently acted upon e.g. parent poor literacy skills impacted on the children and caused parents to be anxious about support. Parents do not have the skills to support their children or in some cases they did the work for their children.
- Behaviour and attitudes during remote lessons- need to be embedded.
- Assessment and Feedback – needs development especially in Key Stage 1.
- Not enough coverage of all curriculum areas.
- Work books do not work as the children do not get the opportunity to work on improvement points.
- Overall the majority of children accessed learning in some form.

Key performance indicators

GLD Reception	66%			
Phonics Year1 Screening Check	83%			
Year 4 Times Table Check	59%			
Year Group	Reading	Mathematics	GPS	Writing
Year 1	71%	81%	N/A	68%
KS1	64%	66%	N/A	62%
Year 3	62%	78%	74%	62%
Year 4	81%	56%	78%	67%
Year 5	74%	70%	82%	67%
KS2	78%	78%	78%	70%

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review

Most of the academy's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2021, total expenditure of £1,638,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding pension reserve movements and restricted fixed asset funds) was £75,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives.

At 31 August 2021 net book value of fixed assets was £1,500,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £910,000 recognised on the Balance Sheet.

The academy held fund balances as at 31 August 2021 of £1,089,000 comprising of £119,000 of restricted general funds, £1,519,000 of restricted fixed asset funds, a pension deficit of £910,000 and £361,000 of unrestricted funds.

Reserves policy

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- To provide funds which can be designated to specific areas such as breakfast club.
- To cover ongoing costs in relation to the running of the academy including catering provisions, school trips and uniform costs.

The level of reserves is reviewed by Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy is reviewed by the Governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors therefore consider it is prudent to hold reserves in the general fund in the form of restricted general funds (excluding pension reserves) and unrestricted funds of £160,000.

This is considered sufficient to cover

- a) Delays between the spending and receipt of grants
- b) Unexpected emergencies such as urgent maintenance

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GOVERNORS' REPORT (CONTINUED)
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Reserves policy (continued)

As at 31 August 2021 the academy holds available reserves of £480,000, comprising of restricted general funds (excluding pension reserves) of £119,000 and unrestricted funds of £361,000. The Governors continue to consider additional activities related to the academy trust's objectives to which the excess reserves may be applied including:

- a) Future capital expenditure projects
- b) Uncertainty over future cost pressures – e.g increased energy cost – approx. 48% increase gas 26% electricity / increased NI 1.25% costs/ salary increase possibly 5% if in line with inflation
- c) Increased expenditure on staffing to reduce class sizes in Early Years and Key Stage 1- this is due to the significant gaps in children's education e.g. speech/language and social skills as a result of the pandemic.

Investment policy

The academy invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Principal risks and uncertainties

The principle risks and uncertainties are centered around the changes in the level of funding from the DfE/EFA. In addition the academy is a member of the South Tyneside Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The academy considers all risks and since conversion Governors have begun to implement a system to assess risks that may impact the academy both immediately and medium-term. Particular risks identified are in relation to teaching, management of ICT security, Safeguarding, Health & Safety, Educational Visits and in relation to financial controls. To mitigate risk the academy has introduced systems relating to operational procedures, and internal financial controls relating to ordering and online banking. Governors are satisfied that systems are in place to mitigate exposure to major risks and take onboard advice from external sources.

The academy is subject to a number of risks and uncertainties in common with other academies. Holy Trinity CE Academy has in place procedures to identify and mitigate financial risks. These are discussed further in the Risk Management section of this report, and in the Governance Statement.

The Governors have assessed the major risks to which the academy is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academy and its finances. The Governors have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to, teaching, health and safety, safeguarding, school visits and bullying) and in relation to all areas of financial management. Where significant financial risk is apparent there is appropriate insurance cover in place. The academy has an effective system of internal financial controls and this is detailed further in the Governance Statement.

The academy has fully implemented the requirements of the Safer Recruitment procedures and all staff have received Child Protection training.

Fundraising

The academy historically has raised funds bi-annually for the benefit of the children and to help subsidise the costs of educational visits and activities for the children e.g. Christmas Parties. The funds raised are used totally for the benefit of the children. This has not happened during the past two years due to the pandemic. It is hoped they may begin again in Spring 2022 when hopefully the pandemic enters an endemic stage. The academy does not work with any commercial participators / professional fundraisers. Contributions to the fundraising activities is purely voluntary, without pressure to any individuals or vulnerable people. Monies raised are spent on all of the pupils.

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GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Plans for future periods

Most of the predicted outcomes were achieved in spite of the pandemic. The school was able to use the COVID catch-up funding to support with small class teaching and learning. The school also took advantage of the National Tutor Programme engaging the help of two very well qualified teachers to deliver very small group interventions. However, issues still remain and these will stay on the school improvement plan this academic year. The academy will also be focusing on improving healthy living and resilience due to the impact of school closures on the mental and physical wellbeing of the children. The financial effects of COVID the need for more sanitisation, more staffing etc. did not have an impact on the end of year balance due to the expedient use of funding and the fact that some programmed events did not take place e.g. educational visits. Future impacts will be the unknown amount of increase in energy costs, the implications of the 1.25% NI contribution and the very recently announced increase in public sector wages.

The Governing Body and Accounting Officer will continue to monitor income and expenditure on a regular basis, making savings wherever possible. Resources as always will be directed to the needs of the children in the academy.

Headlines for School Improvement 2021/2022

- To raise attainment in Mathematics throughout the academy
- To raise attainment in Reading throughout the academy
- To raise Attainment and Accelerate Progress in Writing throughout the school
- To embed the Recovery Curriculum throughout the school
- To promote Healthy Living and Resilience throughout the school

Funds held as custodian on behalf of others

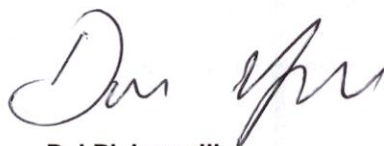
No funds are held as custodian on behalf of others.

Disclosure of information to auditors

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 8 December 2021 and signed on its behalf by:



D J Pickersgill
Chair

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Holy Trinity Church of England Academy (South Shields) Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Holy Trinity Church of England Academy (South Shields) Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 5 times during the year. The Board met less than six times due to the clearly established committees/portfolio groups of Governors who can deal with specific areas of responsibility, following robust terms of reference.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
D J Pickersgill, Chair	4	5
A Gedling, Vice Chair	5	5
J Allan, (resigned 15 November 2020)	1	1
E Clayton, (resigned 8 December 2020)	1	1
J M Gammon	5	5
A Lock, (appointed 20 November 2020)	3	4
A McMahon, (appointed 20 November 2020)	4	4
E Middleton	5	5
T L Murphy, Headteacher/CEO and Accounting Officer	5	5
R Swan, (resigned 15 November 2020)	1	1

The academy regularly undertakes reviews of strategic leadership and management, as well as teaching and overall performance. There are termly reviews by the School Improvement Adviser. The Headteacher regularly attends CPD to ensure that her knowledge and understanding of current trends and issues in education is up to date.

The Finance, Building and Audit Committee is a sub-committee of the main Board of Governors. Its purpose is to ensure the efficient and effective use of resources whilst seeking ways to ensure the fabric of the building remains fit for purpose and provides a productive learning environment. The Finance, Building and Audit Committee receive monthly account statements from the School Bursar.

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
A Gedling, Chair	3	3
D J Pickersgill, Vice Chair	2	3
T L Murphy, Accounting Officer	3	3
Rev M Thompson	1	1
J Gammon	2	2

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy has improved value for money through the year by:

The Academy Bursar ensures that budget forecasts are given to the Finance, Building and Audit Committee in a timely and efficient manner. His careful monitoring ensures that potential budget shortfalls are identified and spending adjusted where possible.

- Supply costs have been decreasing year on year – staffing utilised in school to cover costs of any CPD and absence. Non-teaching staff who leave the school are not replaced unless it is absolutely vital.
- Two Teaching Assistants have qualified as Higher Level Teaching Assistants which has eradicated the need for any teaching supply costs to cover sickness.
- The school has employed a Higher Level Teaching Assistant to support the development of physical education in the school. This will result in the school being able to provide quality physical education in house. This will reduce the need to employ external sports coaches.
- Internal data collected by the academy showed that children made good progress in spite of the disruption to their education. It is hoped this will be externally validated during this academic year through National Assessment.
- The Finance, Building and Audit Committee are constantly seeking ways to improve services to the academy and to maximize savings.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holy Trinity Church of England Academy (South Shields) Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The risk and control framework

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors
- regular reviews by the Finance, Building and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Governors has decided to buy-in an internal audit service from Tait Walker.

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

- testing of payroll systems
- testing of VAT
- testing of bank payments
- testing of VAT
- Corporation tax
- review of Financial Regulations Manual
- Board of Governors Committee agendas and minutes

On a timetabled basis, the internal auditor reports to the Board of Governors through the Finance, Building and Audit Committee on the operation of the systems of control and on the discharge of the Board of Governors financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress. All work was completed as planned. During the period 1 September 2020 and 31 August 2021 two internal audit reviews were carried out in addition to the year-end annual external audit.

No material control issues arose as a result of the internal auditor's work however the academy will aim to adopt recommendations of best practice over the next financial period.

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

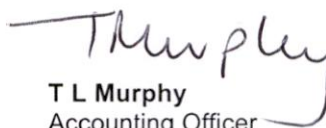
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Building and Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 8 December 2021 and signed on their behalf by:



D J Pickersgill
Chair



T L Murphy
Accounting Officer

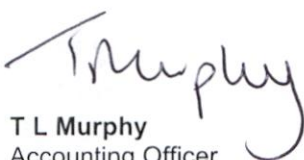
HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Holy Trinity Church of England Academy (South Shields) Trust I have considered my responsibility to notify the academy Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy Board of Governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2020.

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



T L Murphy
Accounting Officer
Date: 8 December 2021

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2021

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Governors on 8 December 2021 and signed on its behalf by:



D J Pickersgill
Chair

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY
TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST

Opinion

We have audited the financial statements of Holy Trinity Church of England Academy (South Shields) Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2021 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, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy'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 Governors with respect to going concern are described in the relevant sections of this report.

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY
TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion 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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic 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 academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

Responsibilities of Governors

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy 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 academy'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 academy or to cease operations, or have no realistic alternative but to do so.

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST (CONTINUED)

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the academy. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of noncompliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of Governors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of Governors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Auditors' Report.

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY
TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST (CONTINUED)

Use of our report

This report is made solely to the academy'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 academy's members those matters we are required to state to them in an Auditors' 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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Clive Owen

Kevin Shotton BA BFP FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants

& Statutory Auditors

140 Coniscliffe Road

Darlington

County Durham

DL3 7RT

Date:

17/12/21

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLY
TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST AND THE EDUCATION AND
SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holy Trinity Church of England Academy (South Shields) Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Holy Trinity Church of England Academy (South Shields) Trust's
accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Holy Trinity Church of England Academy (South Shields) Trust's funding agreement with the Secretary of State for Education dated 21 July 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLY
TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST AND THE EDUCATION & SKILLS
FUNDING AGENCY (CONTINUED)

Approach (continued)

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Clive Owen LLP

Clive Owen LLP

Reporting Accountant
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: *17/12/21*

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	1	-	30	31	9
Charitable activities	4	1	1,527	-	1,528	1,445
Other trading activities	5	20	-	-	20	8
Investments	6	-	-	-	-	4
Total income		<u>22</u>	<u>1,527</u>	<u>30</u>	<u>1,579</u>	<u>1,466</u>
Expenditure on:						
Charitable activities	7	-	1,591	47	1,638	1,508
Total expenditure		<u>-</u>	<u>1,591</u>	<u>47</u>	<u>1,638</u>	<u>1,508</u>
Net movement in funds before other recognised gains/(losses)		<u>22</u>	<u>(64)</u>	<u>(17)</u>	<u>(59)</u>	<u>(42)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(56)	-	(56)	(191)
Net movement in funds		<u>22</u>	<u>(120)</u>	<u>(17)</u>	<u>(115)</u>	<u>(233)</u>
Reconciliation of funds:						
Total funds brought forward		339	(671)	1,536	1,204	1,437
Net movement in funds		22	(120)	(17)	(115)	(233)
Total funds carried forward		<u>361</u>	<u>(791)</u>	<u>1,519</u>	<u>1,089</u>	<u>1,204</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09098446

**BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	13	1,500	1,515
		<u>1,500</u>	<u>1,515</u>
Current assets			
Debtors	14	241	237
Cash at bank and in hand		329	286
		<u>570</u>	<u>523</u>
Creditors: amounts falling due within one year	15	(71)	(97)
Net current assets		<u>499</u>	<u>426</u>
Total assets less current liabilities		<u>1,999</u>	<u>1,941</u>
Net assets excluding pension liability		<u>1,999</u>	<u>1,941</u>
Defined benefit pension scheme liability	22	(910)	(737)
Total net assets		<u><u>1,089</u></u>	<u><u>1,204</u></u>

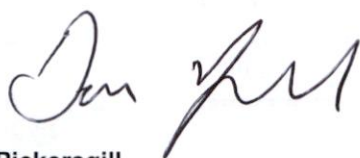
HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09098446

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	1,519	1,536
Restricted income funds	16	119	66
Restricted funds excluding pension asset	16	1,638	1,602
Pension reserve	16	(910)	(737)
Total restricted funds	16	728	865
Unrestricted income funds	16	361	339
Total funds		<u>1,089</u>	<u>1,204</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 26 to 52 were approved by the Governors, and authorised for issue on 08 December 2021 and are signed on their behalf, by:



D J Pickersgill
Chair

The notes on pages 30 to 52 form part of these financial statements.

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	18	45	67
Cash flows from investing activities	19	(2)	2
Change in cash and cash equivalents in the year		43	69
Cash and cash equivalents at the beginning of the year		286	217
Cash and cash equivalents at the end of the year	20, 21	<u>329</u>	<u>286</u>

The notes on pages 30 to 52 form part of these financial statements

HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Holy Trinity Church of England Academy (South Shields) Trust meets the definition of a public benefit entity under FRS 102.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

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1. Accounting policies (continued)

1.3 Income (continued)

- **Donated fixed assets (excluding transfers on conversion or into the academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's accounting policies.

1.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

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1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	- over 125 years
Leasehold improvements	- over 50 years
Furniture and equipment	- over 7 years
Computer equipment	- over 3 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities, incorporating Income and Expenditure Account.

1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.11 Liabilities and Provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Taxation

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

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1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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2. Critical accounting estimates and areas of judgement (continued)

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £47,000.

Critical areas of judgment:

Land – Land is held under a 125 year lease from South Tyneside Borough Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

The academy buildings are owned by the Diocese of Durham and Newcastle. The academy trust occupies the buildings under a mere licence. The licence delegates aspects of the management of the buildings to the academy trust for the time being, but does not vest any rights over the buildings to the academy trust. The Diocese of Durham and Newcastle has given an undertaking to the Secretary of State that they will not give academy trust less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the academy trust is occupying the buildings the Directors have concluded that the value of the buildings occupied by the academy trust at the date of conversion to an academy will not be recognised on the balance sheet of the academy trust. In addition, whilst the occupation constitutes a donation in kind to the academy trust, the Governors consider that the cost of obtaining a valuation for such a donation outweighs the expense and therefore no such donation and related expense are included in the Statement of Financial Activities. Additions since conversion funded by grant bids or from GAG have been capitalised as leasehold improvements and written off over their economic life.

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	1	21	22	2
Capital Grants	-	9	9	7
Total 2021	1	30	31	9
Total 2020	1	8	9	

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4. Funding for the academy's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,036	1,036	1,003
Other DfE/ESFA grants				
Pupil Premium	-	204	204	206
PE and Sport Premium	-	18	18	18
UFSM	-	21	21	16
Rates	-	4	4	5
NCTL grants	-	-	-	2
Teachers' pay grant	-	12	12	12
Teachers' pension grant	-	33	33	38
	-	1,328	1,328	1,300
Other Government grants				
SEN	-	12	12	17
Early Years Funding	-	122	122	106
Local Authority grants	-	34	34	11
	-	168	168	134
Other income from the academy's academy's educational operations	1	10	11	11
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	18	18	-
Other DfE/ESFA COVID-19 funding	-	3	3	-
	-	21	21	-
	1	1,527	1,528	1,445
Total 2020	7	1,438	1,445	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Teachers' pension grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £18k of funding for Catch-up Premium and costs incurred in respect of this funding totalled £18k.

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5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from facilities and services	4	4	4
Other	16	16	4
Total 2021	<u>20</u>	<u>20</u>	<u>8</u>
Total 2020	<u>8</u>	<u>8</u>	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Investment income - local cash	-	-	4
Total 2020	<u>4</u>	<u>4</u>	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy's educational operations:					
Direct costs	1,086	-	77	1,163	1,053
Allocated support costs	97	127	251	475	455
Total 2021	<u>1,183</u>	<u>127</u>	<u>328</u>	<u>1,638</u>	<u>1,508</u>
Total 2020	<u>1,085</u>	<u>116</u>	<u>307</u>	<u>1,508</u>	

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7. Expenditure (continued)

In 2021, of the total expenditure, £nil (2020 - £14,000) was to unrestricted funds and £1,638,000 (2020 - £1,494,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy's educational operations	1,163	475	1,638	1,508
Total 2020	1,053	455	1,508	

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	1,086	975
Educational supplies	44	45
Technology costs	4	3
Educational consultancy	26	24
Transport	3	6
Total 2021	1,163	1,053

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Net interest cost on pension scheme	12	9
Staff costs	97	110
Depreciation	47	42
Staff development	1	7
Technology costs	22	15
Maintenance of premises	14	10
Cleaning	32	31
Other premises costs	12	12
Energy	20	13
Rent and rates	4	5
Insurance	5	6
Operating lease rentals	17	17
Catering	145	123
Security	1	1
Other costs	25	32
Governance costs	21	22
Total 2021	475	455

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	17	17
Depreciation of tangible fixed assets	47	42
Fees paid to auditors for:		
- audit	8	8
- other services	3	2
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	778	771
Social security costs	73	69
Pension costs	270	217
	<u> </u>	<u> </u>
	1,121	1,057
Agency staff costs	62	28
	<u> </u>	<u> </u>
	<u>1,183</u>	<u>1,085</u>

Included within operating costs of defined benefit pension schemes is £105,000 (2020: £60,000) relating to the pension deficit actuarial adjustments.

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £nil (2020: £nil).

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10. Staff (continued)

c. Staff numbers

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

	2021 No.	2020 No.
Teaching staff	8	9
Administration and support	16	17
Management	4	4
	<u>28</u>	<u>30</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £90,001 - £100,000	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £337,000 (2020 £361,000).

11. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2021 £000	2020 £000
T L Murphy	Remuneration	90 - 95	90 - 95
	Pension contributions paid	20 - 25	20 - 25
J Allan (resigned 15 November 2020)	Remuneration	5 - 10	30 - 35
	Pension contributions paid	0 - 5	5 - 10
R Swan (resigned 15 November 2020)	Remuneration	5 - 10	40 - 45
	Pension contributions paid	0 - 5	5 - 10
A McMahon (appointed 20 November 2020)	Remuneration	25 - 30	-
	Pension contributions paid	5 - 10	-
A Lock (appointed 20 November 2020)	Remuneration	10 - 15	-
	Pension contributions paid	0 - 5	-

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11. **Governors' remuneration and expenses (continued)**

During the year ended 31 August 2021, no Governor expenses have been incurred (2020 - £NIL).

12. **Governors' and Officers' insurance**

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

13. **Tangible fixed assets**

	Leasehold land £000	Leasehold improvements £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2020	59	1,637	56	65	1,817
Additions	-	6	1	25	32
At 31 August 2021	59	1,643	57	90	1,849
Depreciation					
At 1 September 2020	2	200	38	62	302
Charge for the year	-	33	4	10	47
At 31 August 2021	2	233	42	72	349
Net book value					
At 31 August 2021	57	1,410	15	18	1,500
At 31 August 2020	57	1,437	18	3	1,515

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14. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	14	-
VAT repayable	12	6
Other debtors	3	3
Prepayments and accrued income	59	75
Short term investments	153	153
	<u>241</u>	<u>237</u>

15. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	19	29
Other taxation and social security	18	14
Other creditors	1	1
Accruals and deferred income	33	53
	<u>71</u>	<u>97</u>

	2021 £000	2020 £000
Deferred Income		
Deferred income at 1 September 2020	9	11
Resources deferred during the year	11	9
Amounts released from previous periods	(9)	(11)
Deferred income at 31 August 2021	<u>11</u>	<u>9</u>

At the Balance Sheet date the academy was holding funds received in advance for school meals and rates relief.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds					
General funds	339	22	-	-	361
Restricted general funds					
General Annual Grant (GAG)	59	1,036	(992)	-	103
Pupil Premium	-	204	(204)	-	-
Other DfE / ESFA grants	7	88	(79)	-	16
SEN	-	12	(12)	-	-
Other Government grants	-	156	(156)	-	-
Other	-	10	(10)	-	-
Catch-up premium	-	18	(18)	-	-
Other DfE/ESFA COVID-19 funding	-	3	(3)	-	-
Pension reserve	(737)	-	(117)	(56)	(910)
	(671)	1,527	(1,591)	(56)	(791)
Restricted fixed asset funds					
Assets transferred from Local Authority	1,492	-	(34)	-	1,458
Devolved Formula Capital	43	9	(8)	-	44
Donations	1	21	(5)	-	17
	1,536	30	(47)	-	1,519
Total Restricted funds	865	1,557	(1,638)	(56)	728
Total funds	1,204	1,579	(1,638)	(56)	1,089

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other DfE/ESFA grants includes universal infant free school meals funding, PE and Sport Premium, which is funding to be spent on improving physical education and sports, rates relief and the Teachers' Pay and Teachers' Pension grants.

Catch-up premium is used to fund specific activities to support the pupils' education recovery.

Other Government grants include Early Years funding for three and four year old children and funding for pupils with Special Educational Needs.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 22.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds					
General funds	333	20	(14)	-	339
Restricted general funds					
General Annual Grant (GAG)	-	1,003	(944)	-	59
Pupil Premium	-	208	(208)	-	-
Other DfE / ESFA grants	11	89	(93)	-	7
SEN	-	17	(17)	-	-
Other Government grants	-	117	(117)	-	-
Other	-	4	(4)	-	-
Pension reserve	(477)	-	(69)	(191)	(737)
	(466)	1,438	(1,452)	(191)	(671)

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16. Statement of funds (continued)

Restricted fixed asset funds

Assets transferred from Local Authority	1,527	-	(35)	-	1,492
Devolved Formula Capital	43	7	(7)	-	43
Donations	-	1	-	-	1
	<u>1,570</u>	<u>8</u>	<u>(42)</u>	<u>-</u>	<u>1,536</u>
Total Restricted funds	<u>1,104</u>	<u>1,446</u>	<u>(1,494)</u>	<u>(191)</u>	<u>865</u>
Total funds	<u><u>1,437</u></u>	<u><u>1,466</u></u>	<u><u>(1,508)</u></u>	<u><u>(191)</u></u>	<u><u>1,204</u></u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	1,500	1,500
Current assets	372	179	19	570
Creditors due within one year	(11)	(60)	-	(71)
Provisions for liabilities and charges	-	(910)	-	(910)
Total	<u>361</u>	<u>(791)</u>	<u>1,519</u>	<u>1,089</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	1,515	1,515
Current assets	340	162	21	523
Creditors due within one year	(1)	(96)	-	(97)
Provisions for liabilities and charges	-	(737)	-	(737)
Total	<u>339</u>	<u>(671)</u>	<u>1,536</u>	<u>1,204</u>

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18. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of Financial Activities)	(59)	(42)
Adjustments for:		
Depreciation	47	42
Capital grants from DfE and other capital income	(9)	(7)
Defined benefit pension scheme cost less contributions payable	105	60
Defined benefit pension scheme finance cost	12	9
(Increase)/decrease in debtors	(4)	8
(Decrease)/increase in creditors	(26)	1
Dividends, interest and rents from investments	-	(4)
Donated tangible fixed assets	(21)	-
Net cash provided by operating activities	45	67

19. Cash flows from investing activities

	2021 £000	2020 £000
Dividends, interest and rents from investments	-	1
Purchase of tangible fixed assets	(11)	(6)
Capital grants from DfE Group	9	7
Net cash (used in)/provided by investing activities	(2)	2

20. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	329	286
Total cash and cash equivalents	329	286

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21. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	286	43	329
	<u>286</u>	<u>43</u>	<u>329</u>

22. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

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22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £112,000 (2020 - £113,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Governor-administered funds. The total contribution made for the year ended 31 August 2021 was £71,000 (2020 - £53,000), of which employer's contributions totalled £53,000 (2020 - £39,000) and employees' contributions totalled £18,000 (2020 - £14,000). The agreed contribution rates for future years are 17.3% for employers and 5.5 to 12.5% for employees.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	4.10	3.70
Rate of increase for pensions in payment/inflation	2.60	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.20
Commutation of pensions to lump sums	75.00	75.00

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22. Pension commitments (continued)

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

	2021 Years	2020 Years
Retiring today		
Males	21.9	21.8
Females	25.1	25.0
Retiring in 20 years		
Males	23.6	23.5
Females	26.9	26.8

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(59)	(47)
Discount rate -0.1%	61	49
Mortality assumption - 1 year increase	(73)	(55)
Mortality assumption - 1 year decrease	75	56
CPI rate +0.1%	49	39
CPI rate -0.1%	(49)	(39)

Share of scheme assets

The academy's share of the assets in the scheme was:

	2021 £000	2020 £000
Equities	591	444
Government bonds	22	20
Corporate bonds	214	190
Property	85	76
Cash and other liquid assets	43	16
Other	108	84
Total market value of assets	1,063	830

The actual return on scheme assets was £164,000 (2020 - £4,000).

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22. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £000	2020 £000
Current service cost	(158)	(99)
Interest income	15	15
Interest cost	(27)	(24)
Total amount recognised in the Statement of Financial Activities	<u>(170)</u>	<u>(108)</u>

Changes in the present value of the defined benefit obligations were as follows:

	2021 £000	2020 £000
Opening defined benefit obligation	1,567	1,251
Current service cost	158	99
Interest cost	27	24
Employee contributions	18	14
Actuarial losses	205	180
Benefits paid	(2)	(1)
Closing defined benefit obligation	<u>1,973</u>	<u>1,567</u>

Changes in the fair value of the academy's share of scheme assets were as follows:

	2021 £000	2020 £000
Opening fair value of scheme assets	830	774
Interest income	15	15
Actuarial gains/(losses)	149	(11)
Employer contributions	53	39
Employee contributions	18	14
Benefits paid	(2)	(1)
Closing fair value of scheme assets	<u>1,063</u>	<u>830</u>

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23. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than 1 year	2	17
Later than 1 year and not later than 5 years	2	2
	<u>4</u>	<u>19</u>

24. Related party transactions

Owing to the nature of the academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in note 11.