

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 2019

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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 14
Governance Statement	15 - 18
Statement on Regularity, Propriety and Compliance	19
Statement of Governors' Responsibilities	20
Independent Auditors' Report on the Financial Statements	21 - 23
Independent Reporting Accountant's Report on Regularity	24 - 26
Statement of Financial Activities Incorporating Income and Expenditure Account	27
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements	30 - 52

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members

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

Governors

D J Pickersgill, Chair¹
A Gedling, Vice Chair¹
J Allan
K Allan (resigned 13 February 2019)
E Clayton
T L Murphy, Accounting Officer¹
R Swan
Rev M P Thompson

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

Independent auditors

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

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Bankers

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

Solicitors

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

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

GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Governors' report and a Directors' report under company law.

The 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 236 in the school census in May 2019. 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 is the primary governing document of the academy trust.

The Governors act as the Trustees for the charitable activities of Holy Trinity Church of England Academy (South Shields) Trust and as 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 throughout the period between 1 September 2018 to the date these accounts are approved, except as noted, 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 period 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 judgement 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.

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; and
- the Archdeacon of Sunderland
- the Chair of the Governing Body

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

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Structure, Governance and Management (continued)

Method of recruitment and appointment or election of Governors (continued)

The Members 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 Headteacher 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 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

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, 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.

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

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Structure, Governance and Management (continued)

Organisational structure (continued)

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 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 Senior Leadership Team, 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 the 31st December on an annual basis.

Related parties and other connected charities and organisation

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.

For the period ending 31 August 2019 there are no connected organisations.

Related parties at Holy Trinity CE Academy (South Shields) are the Diocese, the Deanery and the church community, with regular information sent to the Director of the Board of Education.

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 2019 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) Trust 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.

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

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Objectives and activities (continued)

Objects and aims (continued)

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.

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 2018/2019

To raise standards across the academy

- To increase the number of girls achieving greater depth in Mathematics at the end of Key Stage 2

Out of 15 girls only 2 achieved the higher standard, this is equal to 14%.

However, throughout the year the cohort had to deal with many personal circumstances which ultimately impacted on their attainment.

Realistically knowing the issues then, 18% of higher attaining girls achieved the higher standard.

Analysis of the paper shows that the majority of under attainment was in Paper 2 Reasoning.

All of the children who were expected to, got a high score in arithmetic, they know the mechanics.

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

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

- The implement, monitor and evaluate the Abracadabra (ABRA) Year 1 Reading Intervention Programme

All staff completed the training and delivered the program to 20 lower ability and SEND pupils in year one (1H). The program ran for slightly longer than the stated 20-22 weeks due to unforeseeable changes in the timetable. The program actually ran over a period of 25 weeks. All staff were confident in the delivery of the program and the pupils quickly became familiar with using the software and were able to access it with ease. There were two visits carried out by the regional trainer where she observed all staff and pupils completing an ABRA session. The visits went well and the regional trainer was happy with the delivery of the program. The pupils were grouped by ability and were assessed as a group rather than individuals. The more able pupils of the group and who achieved Good Level of Development (GLD) moved quicker through the program. The pupils who did not achieve GLD remained static on the same levels for quite some time as we followed the guidelines provided by ABRA of when to move the pupils on. The children have made lots of progress with their segmenting and blending through use of this program which was reflected in the phonics screening check. However, the children have also received a daily phonics input 5 times a week for 20 minutes and some LA and SEND pupils received additional invention support.

Some of the LA and SEND pupils would gain more from an adult led guided reading session. This would provide pupils with the opportunity to;

- make predictions about text
- build upon their story vocabulary
- make links between the stories that they listen to and their own experiences
- recognise repeating language patterns
- share their own ideas
- answer simple comprehension questions

This would enable staff to record evidence for these objectives and monitor progress as individuals rather than as a group. Eventually when the pupils are 'ready', they will begin to read the text themselves. All pupils would still receive one to one reading, plus their 20 minutes every day phonic input to support them with their decoding and blending skills and digraph and grapheme recognition.

- To develop the provision for Music throughout the school

Music is now taught throughout the school once a week

- Year 6 taught after SATs week.
- Recorder playing skills being developed throughout Y3 and Y4.
- Singing club takes place weekly.
- The choir have performed during Wellbeing Week and this is now established.
- Children have taken part in the South Tyneside Music Festival for the second year running.
- More children are engaged with the music curriculum.
- More instruments are being played throughout the school e.g. xylophone and ukuleles.
- Work on going linking music objectives the wider curriculum – although this has begun (Greensleeves Tudors Year 5).
- Music policy still to be updated.

- To develop the provision for IT throughout the academy

A range of different programmes in use.

- New programmes have been welcomed by the children.
- Outside agencies have provided resources for use by the children e.g. Beebots.
- Increased awareness of online safety following numerous incidents – planning adapted for next year.
- Police invited into Year 5 and Year 6 at the beginning of the next academic year.
- End of year assessment introduced which provides good evidence of progression throughout school.

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

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

- Computing book to be introduced earlier in school (Year 1).
- IT suite in regular use a range of programmes available and opportunities for cross curricular use.
- Work scrutiny evidences good progress throughout the school. (Computing books).
- To develop the library provision in Holy Trinity CE Academy (South Shields)
 - Reading trolley introduced to introduce new stock and authors to children.
 - Book boxes sent home for children to access with family's surplus books from the library in good condition.
 - Stock evaluated and updated.
 - Introduction of careers section in the library.
 - Staff team to develop, monitor and evaluate the effectiveness of the new provision.
 - Introduction of new authors to older children.
- To implement the new RE syllabus throughout the academy
 - New RE Syllabus in place.
 - Resources audited – everything available to support teaching.
 - New assessment proformas set up and ready to use from September, these include support for staff on four major world religions. Work scrutiny evidences use of curriculum.
 - Support given to less confident teachers in the delivery of the units.
- To implement a new system for the teaching, learning and assessment of timestables in readiness for the impending Y4 Times Tables check.
 - Starter time has been focused upon times tables practice.
 - Children focused upon quick recall of multiplication facts.
 - Class sticker chart has been created to show children their focus table and those which they have completed.
 - Dojo prizes awarded for completion of each times tables.
 - IT used to encourage answers within allotted 6 seconds.
 - All staff have PM target related to this area.
 - Gaps in learning identified.
 - E-learning of times tables being investigated.
 - 26% of children passed the times tables check (8 pupils).
 - Another 8 children missed the pass by one mark this would have taken the pass to 55%.

Key Performance Indicators

	2019	2018
• Total revenue income per pupil	£5,469	£5,008
• Total GAG income per pupil	£3,858	£3,620
• Staff costs per pupil	£3,719	£3,581
• Total revenue costs (excl. pension) per pupil	£5,308	£5,116
• Staff costs as % of costs	70%	70%
• Staff costs as % of income	68%	72%
• Pupil to teacher ratio	28.9	21.5
• Net current assets / income	26.4	26.1

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

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Key Performance Indicators (continued)

The academy is full, with places already requested for Nursery in September 2020. The Key Stage results were very strong compared to last academic year and attainment is rising.

Key Stage 2 Attainment and Progress Overview Holy Trinity CE Academy		
	2019	
	HT	National
Mathematics at Expected Standard	70%	79%
Mathematics at Greater Depth	17%	27%
Reading at Expected Standard	60%	73%
Reading at Greater Depth	20%	26.5%
Writing at Expected Standard	83%	78%
Writing at Greater Depth	23%	20%
Spelling, Punctuation and Grammar at Expected Standard	80%	78%
Spelling, Punctuation and Grammar at Greater Depth	40%	36%
Reading, Writing and Mathematics at Expected Standard	50%	65%
Reading, Writing and Mathematics at Greater Depth	10%	TBC%

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

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Key Performance Indicators (continued)

Key Stage 1 Attainment Overview Holy Trinity CE Academy		
	Comparison (2022 cohort)	
	2019	2018
Mathematics Working at the Expected Standard	81%	83%
Mathematics Working at Greater Depth	25%	20%
Reading Working at the Expected Standard	84%	80%
Reading Working at Greater Depth	38%	23%
Writing Working at the Expected Standard	81%	80%
Writing Working at Greater Depth	25%	20%
Working at the Expected Standard Mathematics, Reading and Writing	81%	80%
Working at Greater Depth Mathematics, Reading and Writing	19%	17%
Year 1 Phonics Check	(2022 cohort) 93%	(2022 cohort) 84%
EYFS GLD	74%	79%

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 they continue 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.

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

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Financial report for the period

Most of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, most of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, total expenditure of £1,504,000 was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £40,000.

The in-year deficit excluding the pension reserve and restricted fixed asset funds, was £109,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2019 the net book value of fixed assets was £1,551,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £477,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2019 of £1,437,000 comprising £1,105,000 of restricted funds, including £(477,000) deficit on the pension reserves, and £332,000 of unrestricted funds. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as at 31 August 2019 was £344,000.

Financial review

Reserves policy

The Governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governing body will ensure that the levels of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of General Annual Grant (GAG) income and other grants.

The Governing Body will try to match income with expenditure in the current period and will carry forward reserves that it considers necessary for future periods of expenditure. A decision on reserves would be taken at the start of the new academic year. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The reserves policy will be reviewed on an annual basis.

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

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

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

Reserves policy (continued)

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 the Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of an 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 prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £160,000. The balance on restricted general funds, excluding pension reserve, plus the balance on unrestricted funds at 31 August 2019 is a net surplus of £344,000.

This is considered sufficient to cover

- a) delays between the spending and receipt of grants and;
- b) unexpected emergencies such as urgent maintenance

The academy's current level of free reserves are in surplus by £332,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy. The Governors continue to consider additional activities related to the academy's objectives to which the excess reserves may be applied including:

- a) future capital expenditure projects
- b) uncertainty over future cost pressures and funding

Investment policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

The aim of the academy is to make low-risk investment of expenditure not immediately needed in order to maximise the schools income and the monies available to spend on the education of the academy's pupils.

Principal risks and uncertainties

The principal risks and uncertainties are centred around the changes in the level of funding from the DfE/ESFA. 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 (South Shields) 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.

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

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

Principal risks and uncertainties (continued)

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.

Employee Consultation

Employees are provided information regularly at staff meetings and on Inservice training days on matters that may affect them.

Fundraising

The academy raises 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. 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.

Plans for future periods

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:

- To improve outcomes in Reading throughout the school
- To improve outcomes in Mathematics throughout the school
- To improve the quality of the whole school curriculum.
- To improve and develop Collective Worship
- To improve and develop the distinctive Church of England ethos in preparation for the upcoming SIAMS inspection

Funds held as custodian on behalf of others

There are no funds held on behalf of others.

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

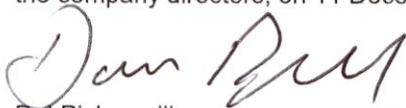
GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019

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 11 December 2019 and signed on its behalf by:


D J Pickersgill
Chair

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

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 6 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/ Chair FAB Committee	5	5
J Allan	2	5
K Allan	1	3
E Clayton	0	5
T L Murphy, Accounting Officer	5	5
R Swan	2	5
Rev M P Thompson	4	5

The Governing Body is aware that its role has changed since academy conversion. There is now an intense focus on the strategic abilities of academy Governors. There are plans to re-structure the Governing Body, to increase capacity should more academies/ schools wish to join the trust.

The academy regularly undertakes reviews of strategic leadership and management, as well as teaching and overall performance. During the reporting period concerned, external evaluations were carried out by school improvement partners which included interviews with members of the Governing Body and assessed the impact that it has on the daily running of the academy. A self-evaluation review of the Governing Body is planned for the Spring Term 2020.

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.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
A Gedling, Chair	7	7
D Pickersgill, Vice Chair	6	7
T Murphy, Headteacher	7	7

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

GOVERNANCE STATEMENT (CONTINUED)

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 appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- The Academy School 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 and the move is now to replace non-teaching staff with qualified teachers.
- An apprentice Sports Coach has been employed this will reduce the costs of coaching cover during extra-curricular activities.
- Two Teaching Assistants have qualified as Higher Level Teaching Assistants this will eradicate the need for any teaching supply costs.
- The academy is a National Support School and the Headteacher a National Leader of Education. This will in turn generate more funding for the academy.
- Expedient use of funding has raised standards considerably this academic year in EYFS, Phonics and at the end of Key Stage 1
- The Finance, Building and Audit Committee are constantly seeking ways to improve services to the academy and to maximize savings. Options are constantly being considered. This financial year the academy changed Payroll providers, which resulted in a saving of £2,000. The committee also moved to a new HR company, which resulted in a saving of £1,000 with the added benefit of Tribunal Claim protection. The Governors have also agreed to bring the cleaning service in house; this is to be started in the new year.

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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

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

GOVERNANCE STATEMENT (CONTINUED)

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 considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Clive Owen LLP, the external auditors, to perform additional checks.

The external auditors' 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 purchase systems;
- testing of petty cash/expenses procedures;
- testing of income;
- testing of the accounting systems and management information produced;
- testing of Director appointments/resignations and declarations of interest;
- testing of gifts and hospitality & honorarium/ex-gratia payments;
- testing of information technology strategy;
- testing of fixed assets;
- testing of VAT and Corporation tax position;
- review of budgeting and financial management including purchasing and income;
- testing of control account/bank reconciliations.

On a timetabled basis, the internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. During the period 1 August 2018 and 31 August 2019 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.

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 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.

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

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Governors on 11 December 2019 and signed on their behalf by:



D J Pickersgill
Chair



T L Murphy
Accounting Officer

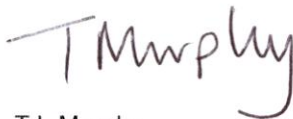
HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST
(A Company Limited by Guarantee)

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 & 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 2018.

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 2018.

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
11 December 2019

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2019

The Governors (who act as Trustees for charitable activities of Holy Trinity Church of England Academy (South Shields) and 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 & 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 11 December 2019 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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

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

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

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

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

We have nothing to report in this regard.

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)

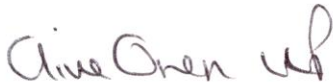
Auditors' responsibilities for the audit of the financial statements

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.

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.

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.



Kevin Shotton BA FCA (Senior Statutory Auditor)
for and on behalf of

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

11 December 2019

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

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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;
- 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.

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)

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 2018 to 31 August 2019 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

Reporting Accountant

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

11 December 2019

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 2019**

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
	Note					
Income from:						
Donations and capital grants	3	14	1	17	32	19
Charitable activities	4	9	1,385	-	1,394	1,270
Other trading activities	5	11	-	-	11	10
Investments	6	2	-	-	2	-
Total income		<u>36</u>	<u>1,386</u>	<u>17</u>	<u>1,439</u>	<u>1,299</u>
Expenditure on:						
Charitable activities	7	18	1,444	42	1,504	1,391
Total expenditure		<u>18</u>	<u>1,444</u>	<u>42</u>	<u>1,504</u>	<u>1,391</u>
Net movement in funds before other recognised gains/(losses)		<u>18</u>	<u>(58)</u>	<u>(25)</u>	<u>(65)</u>	<u>(92)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(193)	-	(193)	73
Net movement in funds		<u>18</u>	<u>(251)</u>	<u>(25)</u>	<u>(258)</u>	<u>(19)</u>
Reconciliation of funds:						
Total funds brought forward		315	(215)	1,595	1,695	1,714
Net movement in funds		18	(251)	(25)	(258)	(19)
Total funds carried forward		<u>333</u>	<u>(466)</u>	<u>1,570</u>	<u>1,437</u>	<u>1,695</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)

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	13	1,551	1,573
		<u>1,551</u>	<u>1,573</u>
Current assets			
Debtors	14	242	122
Cash at bank and in hand		217	344
		<u>459</u>	<u>466</u>
Creditors: amounts falling due within one year	15	(96)	(129)
Net current assets		<u>363</u>	<u>337</u>
Total assets less current liabilities		<u>1,914</u>	<u>1,910</u>
Net assets excluding pension liability		<u>1,914</u>	<u>1,910</u>
Defined benefit pension scheme liability	21	(477)	(215)
Total net assets		<u><u>1,437</u></u>	<u><u>1,695</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	1,570	1,595
Restricted income funds	16	11	-
		<u>1,581</u>	<u>1,595</u>
Restricted funds excluding pension asset	16	1,581	1,595
Pension reserve	16	(477)	(215)
Total restricted funds	16	<u>1,104</u>	<u>1,380</u>
Unrestricted income funds	16	<u>333</u>	<u>315</u>
Total funds		<u><u>1,437</u></u>	<u><u>1,695</u></u>

The financial statements on pages 27 to 52 were approved by the Governors, and authorised for issue on 11 December 2019 and are signed on their behalf, by:


D J Pickersgill
Chair

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

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	28	(59)
Cash flows from investing activities	19	(155)	7
Change in cash and cash equivalents in the year		(127)	(52)
Cash and cash equivalents at the beginning of the year		344	396
Cash and cash equivalents at the end of the year	20	<u>217</u>	<u>344</u>

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)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

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 2018 to 2019 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.

• **Sponsorship income**

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income (continued)

- **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.

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 Bank.

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**

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

All expenditure is 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

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 trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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 judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

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 21, 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 2019. 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.

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 £42,000.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

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

Critical areas of judgment:

There are two recent court cases which could impact on the future liabilities associated with the LGPS scheme, McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £32,000 as at 31 August 2019.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. There is however some judgement in how this equalisation works and is reflected in the LGPS valuations. Actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities. Based on this estimate it would increase liabilities by £4,000 which has been assessed to be immaterial to the financial statements.

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 occupies the buildings under a mere licence. The licence delegates aspects of the management of the buildings to the academy for the time being, but does not vest any rights over the buildings to the academy. The Diocese of Durham and Newcastle has given an undertaking to the Secretary of State that they will not give academy less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the academy is occupying the buildings the Governors have concluded that the value of the buildings occupied by the academy at the date of conversion to an academy will not be recognised on the balance sheet of the academy. In addition, whilst the occupation constitutes a donation in kind to the academy, 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	14	1	15	12
Capital Grants	-	17	17	7
	<u>14</u>	<u>18</u>	<u>32</u>	<u>19</u>
Total 2018	<u>12</u>	<u>7</u>	<u>19</u>	

4. Funding for the academy's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,003	1,003	934
Pupil Premium	-	203	203	193
PE and Sport Premium	-	18	18	18
UFSM	-	14	14	13
Rates	-	5	5	4
Other DfE Group grants	-	9	9	-
NCTL grants	-	6	6	6
	<u>-</u>	<u>1,258</u>	<u>1,258</u>	<u>1,168</u>
Other Government grants				
SEN	-	12	12	4
Early Years Funding	-	104	104	83
Local Authority grants	-	9	9	8
Other Government grants	-	2	2	2
	<u>-</u>	<u>127</u>	<u>127</u>	<u>97</u>
Other funding				
Student Trips	9	-	9	5
	<u>9</u>	<u>1,385</u>	<u>1,394</u>	<u>1,270</u>
Total 2018	<u>5</u>	<u>1,265</u>	<u>1,270</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Rental income	1	1	-
Other	10	10	10
	<u>11</u>	<u>11</u>	<u>10</u>

All income from other trading activities was attributable to unrestricted funds for the year ended 31 August 2018.

6. Investment income

	Total funds 2019 £000
Investment income - local cash	<u>2</u>

All investment income was attributable to unrestricted funds for the year ended 31 August 2019 (2018: £nil).

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Academy's educational operations:					
Direct costs	896	-	96	992	903
Allocated support costs	135	135	242	512	488
	<u>1,031</u>	<u>135</u>	<u>338</u>	<u>1,504</u>	<u>1,391</u>
Total 2018	<u>945</u>	<u>127</u>	<u>319</u>	<u>1,391</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

7. Expenditure (continued)

In 2019, of the total expenditure, £19,000 (2018 - £55,000) was to unrestricted funds and £1,485,000 (2018 - £1,336,000) was to restricted funds.

Included within expenditure are the following transactions:

- Unrecoverable debts £3,000

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 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy's educational operations	992	512	1,504	1,391
Total 2018	903	488	1,391	

Analysis of direct costs

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	896	827
Educational supplies	45	66
Staff development	-	1
Technology costs	6	-
Educational consultancy	22	5
Transport	23	4
	992	903

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £000	Total funds 2018 £000
Net interest cost on pension scheme	5	6
Staff costs	135	118
Depreciation	42	44
Staff development	16	29
Technology costs	23	17
Maintenance of premises	16	16
Cleaning	27	25
Other premises costs	7	9
Energy	28	17
Rent & rates	13	15
RPA fees	6	6
Catering	119	126
Operating lease rentals	17	2
Security	-	1
Other costs	22	17
Governance costs	36	40
	<u>512</u>	<u>488</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	17	2
Depreciation of tangible fixed assets	42	44
Fees paid to auditors for:		
- audit	7	7
- other services	2	2
	<u>66</u>	<u>55</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	734	701
Social security costs	63	65
Pension costs	178	143
	<u>975</u>	<u>909</u>
Agency staff costs	49	36
Staff restructuring costs	7	-
	<u>1,031</u>	<u>945</u>

Included within operating costs of defined benefit pension schemes is £64,000 (2018: £21,000) relating to the pension deficit actuarial adjustments.

Staff restructuring costs comprise:

	2019 £000	2018 £000
Severance payments	7	-
	<u>7</u>	<u>-</u>

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

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £4,000 (2018: £nil).

c. Staff numbers

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

	2019 No.	2018 No.
Teaching staff	9	12
Administration and support	14	15
Management	5	4
	<u>28</u>	<u>31</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

10. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £80,001 - £90,000	1	1

e. Key management personnel

The key management personnel of the academy comprise of the Governors and senior leadership 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 £360,000 (2018: £323,000).

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 Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2019 £000	2018 £000
T L Murphy	Remuneration	85 - 90	85 - 90
	Pension contributions paid	10 - 15	10 - 15
J Allan	Remuneration	30 - 35	25 - 30
	Pension contributions paid	5 - 10	5 - 10
R Swan	Remuneration	40 - 45	35 - 40
	Pension contributions paid	5 - 10	5 - 10

During the year, no Governors received any reimbursement of expenses (2018 - £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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

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 2018	59	1,634	39	59	1,791
Additions	-	3	17	-	20
At 31 August 2019	59	1,637	56	59	1,811
Depreciation					
At 1 September 2018	1	134	28	55	218
Charge for the year	1	33	5	3	42
At 31 August 2019	2	167	33	58	260
Net book value					
At 31 August 2019	57	1,470	23	1	1,551
At 31 August 2018	58	1,500	11	4	1,573

14. Debtors

	2019 £000	2018 £000
VAT recoverable	7	25
Other debtors	10	13
Prepayments and accrued income	75	84
Short term investments	150	-
	242	122

15. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	42	81
Other taxation and social security	17	16
Accruals and deferred income	37	32
	96	129

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

15. Creditors: Amounts falling due within one year (continued)

	2019 £000	2018 £000
	2019 £000	2018 £000
Deferred Income		
Deferred income at 1 September 2018	10	18
Resources deferred during the year	11	10
Amounts released from previous periods	(10)	(18)
Deferred income at 31 August 2019	<u>11</u>	<u>10</u>

At the Balance Sheet date the academy was holding funds received in advance for school meals and Greggs breakfast club.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

16. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds					
General funds	315	36	(18)	-	333
Restricted general funds					
General Annual Grant(GAG)	-	1,003	(1,003)	-	-
Pupil Premium	-	203	(203)	-	-
Other DfE / ESFA grants	-	52	(41)	-	11
SEN	-	12	(12)	-	-
Other Government grants	-	115	(115)	-	-
Donations	-	1	(1)	-	-
Pension reserve	(215)	-	(69)	(193)	(477)
	(215)	1,386	(1,444)	(193)	(466)
Restricted fixed asset funds					
Assets transferred from Local Authority	1,564	-	(37)	-	1,527
Devolved Formula Capital	30	17	(4)	-	43
Capital expenditure from GAG	1	-	(1)	-	-
	1,595	17	(42)	-	1,570
Total Restricted funds	1,380	1,403	(1,486)	(193)	1,104
Total funds	1,695	1,439	(1,504)	(193)	1,437

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.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

16. Statement of funds (continued)

Other DfE / ESFA grants relates to PE Teacher Grant to be spent on improving physical education and sport, Universal Free School Meals funding to be spent on provision of free school meals, rates relief, National Support School Income to be spent on cost of supporting other academies and the Teachers' Pay Grant.

SEN funding is to be spent on pupils with special educational needs.

Other Government grants includes Early Years Funding, which is to be spent on provision of education for two to four year old pupils, and additional pupil premium to support deprived students.

Donations related to income received towards library books.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 21.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

16. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds					
General Funds	343	27	(55)	-	315
Restricted general funds					
General Annual Grant(GAG)	-	934	(934)	-	-
Pupil Premium	-	201	(201)	-	-
Other DfE / ESFA grants	-	41	(41)	-	-
Other Government grants	-	89	(89)	-	-
Pension reserve	(261)	-	(27)	73	(215)
	(261)	1,265	(1,292)	73	(215)
Restricted fixed asset funds					
Assets transferred from Local Authority	1,592	-	(28)	-	1,564
Devolved Formula Capital	29	7	(6)	-	30
Capital expenditure from GAG	8	-	(7)	-	1
Capital expenditure from unrestricted funds	3	-	(3)	-	-
	1,632	7	(44)	-	1,595
Total Restricted funds	1,371	1,272	(1,336)	73	1,380
Total funds	1,714	1,299	(1,391)	73	1,695

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	1,551	1,551
Current assets	332	108	19	459
Creditors due within one year	-	(96)	-	(96)
Provisions for liabilities and charges	-	(477)	-	(477)
Total	333	(466)	1,570	1,437

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	1,573	1,573
Current assets	315	129	22	466
Creditors due within one year	-	(129)	-	(129)
Provisions for liabilities and charges	-	(215)	-	(215)
Total	315	(215)	1,595	1,695

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

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

	2019 £000	2018 £000
Net expenditure for the year (as per Statement of Financial Activities)	(65)	(92)
Adjustments for:		
Depreciation	42	44
Capital grants from DfE and other capital income	(17)	(7)
Defined benefit pension scheme cost less contributions payable	64	21
Defined benefit pension scheme finance cost	5	6
Decrease/(increase) in debtors	30	(42)
(Decrease)/increase in creditors	(33)	11
Dividends, interest and rents from investments	2	-
Net cash provided by/(used in) operating activities	28	(59)

19. Cash flows from investing activities

	2019 £000	2018 £000
Dividends, interest and rents from investments	(2)	-
Purchase of tangible fixed assets	(20)	-
Capital grants from DfE Group	17	7
Capital funding received from sponsors and others	(150)	-
Net cash (used in)/provided by investing activities	(155)	7

20. Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand	217	344
Total cash and cash equivalents	217	344

21. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

21. Pension commitments (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared for 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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £78,000 (2018 - £75,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

21. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £49,000 (2018 - £59,000), of which employer's contributions totalled £36,000 (2018 - £46,000) and employees' contributions totalled £ 13,000 (2018 - £13,000). The agreed contribution rates for future years are 16.2% 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

	2019 %	2018 %
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.00	2.00
Commutation of pensions to lump sums	75.00	75.00

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.9	22.9
Females	25.1	26.4
<i>Retiring in 20 years</i>		
Males	23.6	25.1
Females	26.9	28.7

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	1,214	862
Discount rate -0.1%	1,289	915
Mortality assumption - 1 year increase	1,210	863
Mortality assumption - 1 year decrease	1,293	913
CPI rate +0.1%	1,271	902
CPI rate -0.1%	1,232	874

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

21. Pension commitments (continued)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	507	454
Government bonds	32	27
Corporate bonds	88	75
Property	67	57
Cash and other liquid assets	16	15
Other	64	45
Total market value of assets	<u>774</u>	<u>673</u>

The actual return on scheme assets was £54,000 (2018 - £38,000).

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

	2019 £000	2018 £000
Current service cost	(68)	(62)
Past service cost	(32)	-
Interest income	20	15
Interest cost	(25)	(21)
Total amount recognised in the Statement of Financial Activities	<u>(105)</u>	<u>(68)</u>

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

	2019 £000	2018 £000
Opening defined benefit obligation	888	843
Current service cost	68	62
Past service cost	32	-
Interest cost	25	21
Employee contributions	13	13
Actuarial losses/(gains)	227	(50)
Benefits paid	(2)	(1)
Closing defined benefit obligation	<u>1,251</u>	<u>888</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

21. Pension commitments (continued)

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

	2019 £000	2018 £000
Opening fair value of scheme assets	673	582
Interest income	20	15
Actuarial gains	34	23
Employer contributions	36	41
Employee contributions	13	13
Benefits paid	(2)	(1)
Closing fair value of scheme assets	<u>774</u>	<u>673</u>

22. Operating lease commitments

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Not later than 1 year	16	2
Later than 1 year and not later than 5 years	17	2
	<u>33</u>	<u>4</u>

23. 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 AFH, 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.