

**Company Registration Number: 09098446 (England and Wales)**

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

**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Members**

Diocese of Durham Educational Trust  
Bishop of Durham  
Archdeacon of Sunderland  
Chair of Governors

**Governors**

D J Pickersgill, Chair<sup>1</sup>  
A Gedling, Vice Chair<sup>1</sup>  
J Allan  
K Allan  
E Clayton  
T L Murphy, Accounting Officer<sup>1</sup>  
R Swan  
Rev M P Thompson

<sup>1</sup> 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

**Senior leadership team**

T L Murphy, Head Teacher  
R Scott, Asst Head Teacher  
A Spark, Asst Head Teacher

**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**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Advisers (continued)**

**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**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Governors present their annual report together to the financial statements and auditor's report of the academy trust for the period ended 1st September 2017 - 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates as a Church of England Academy for pupils aged 3 to 11 years, serving the local areas of West Harton and All Saints' Ward in South Shields. It has a pupil capacity of 210 and a roll of 258 in the school census in May 2018. The academy provides an education for pupils of all abilities.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

The charitable company's memorandum and articles of association are the primary governing documents of the academy 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 Church of England Academy (South Shields) Trust.

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

**Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the 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 trust shall be indemnified out of the assets of the academy trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty or breach of trust in relation to the affairs of the academy trust. The academy trust has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. Further details are found in note 11.

**Method of recruitment and appointment or election of Governors**

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

Four Members

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

**HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

The Board 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 Head Teacher 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 Head Teacher 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 trust's Articles of Association and Article 16 of the Funding Agreement.

**Policies and procedures adopted for the induction and training of Governors**

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 trust'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 trust, 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 Head Teacher, and two Acting Assistant Head Teachers. 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 Head Teacher and the Governors are responsible for authorisation of spending with agreed budgets as stated in the Scheme of Delegation and Finance Handbook and the appointment of staff.

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

The Head Teacher is the Accounting Officer for the academy trust.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**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 Head Teacher. 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 Head Teacher is decided by members of the staffing committee and a suitably trained and experienced external adviser. This is determined on or before the 31 December on an annual basis.

**Trade union facility time**

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

**Related Parties and other Connected Charities and Organisations**

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

Related parties at Holy Trinity Church of England Academy are the Diocese, the Deanery, the church community and New Seaham Academy, 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 Church of England Academy (South Shields) to provide education for pupils of different abilities between the ages of 3-11 years old. Our mission is to create a safe and welcoming learning environment within which all children are able to realise their potential.

***Ethos Statement:***

*Holy Trinity Church of England Academy (South Shields) seeks to build a strong educational foundation in accordance with Christian principles and values, in partnership with the Church at local, Deanery and Diocesan levels, developing a Christ-centred community where each person can fulfil the potential God has given them. It seeks to encourage understanding of the meaning and significance of faith, and to promote Christian values through the experience it offers, while respecting the diversity of background and values within our school and wider communities.*

**Aims of the school:**

- To provide a welcoming, caring and supportive environment in which Christian values are central to the life of the school;
- Striving for excellence in teaching, learning and all aspects of school life;
- To provide a rich and varied experience of learning which;
  - is enjoyable & rewarding;
  - builds confidence;
  - helps develop good working habits;
  - incorporates opportunities to reflect;
  - fosters attitudes based on honesty, trust, tolerance, understanding and respect for others that develop from a sense of self-worth;
  - develops lively, enquiring minds with the ability to question, investigate, and solve problems;

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Aims of the school (continued)**

- *begins to form the personal values that will help children make sense of the world in which they live and form positive relationships;*
- *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.

**Objectives, strategies and activities**

**Educational Objectives and Strategies for 2018/19**

Holy Trinity Church of England 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 develop the library in Holy Trinity Church of England Academy
- To develop and renew the provision for IT throughout the academy
- To develop music provision throughout the academy
- To implement, monitor and evaluate the ABRA reading initiative in Year 1
- To increase the attainment of girls at the higher level in Mathematics at the end of Key Stage 2
- To improve attendance and punctuality across the academy
- To develop the role of Higher Level Teaching Assistants throughout the academy
- To develop and embed the new syllabus for RE
- To develop and embed a systematic whole school approach to the teaching of times tables.

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 trust'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 trust should undertake.



**HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**Objectives Achieved 2017/2018**

**To raise standards across the academy**

**To implement and monitor the Reciprocal Reading initiative**

- All staff trained in initiative.
- Intervention groups run in Year 3, 4, 5 and 6.
- Reading results in Year 4 very good – consistent use of reciprocal reading for whole class teaching.
- Pupils receiving RR in Years 5 and 6 raised confidence in reading ability – much more willing to participate in reading aloud and share ideas in groups.
- Staff involvement – very positive and enthusiastic about the strategies – Miss Taylor observing Mrs Allan sessions with adults and also with children to implement RR groups in other year groups next year.

**Moving forward**

- R Swan to implement consistently with Year 5 pupils.
- S Taylor can implement interventions in Year 4 next year.
- A McMahon to implement with higher ability readers for guided reading Autumn term before building in to whole class teaching by the end of Spring term.
- Two intervention groups in Year 6 Autumn term – pupils selected as a result of Data Year 5 Summer.
- Intervention groups to run Years 3,4 and 5.

**To pursue options for increasing Nursery and Reception capacity in the future**

- Increased 30 hour funded places. Currently have 5 children accessing, 2 more in September.
- Working with children's centres to promote our setting. Vicky Holdsworth is to visit Stay and Play sessions to promote sessions at Stay and Play, and we have been invited to visit fayres and open afternoons the SureStart centres hold.
- LA have expressed concern that falling nursery rolls are happening across the borough. This is down to competition from private and PVI settings which offer parents more flexibility. It seems that education is no longer the main thing parents look for, but hours which fit around working lifestyles.
- We will have a morning and afternoon nursery session in September of next year. Home visits to be completed in July 2018 so children can come straight in to nursery in the new term.
- Over the summer holidays the toilets on offer to EYFS children will change from 3 to 5. This will ensure that there are always toilets available for children to use when the nursery and reception classes are full.
- Throughout the year we have regularly advertised availability for 15 and 30 hour places on Facebook. In the Autumn term we did not run an afternoon nursery but from the Spring Term we now have 21 children in nursery on an afternoon. Capacity is 26.
- Considering a more flexible 2.5 day offer for parents. This will have to be carefully balanced as if a child has a beginning of the week place we will have to match a child for the end of the week.

**To ensure all staff are confident in the use of Target Tracker as a data collection tool and an aid to teaching and learning**

- Target Tracker used more accurately and regularly this year.
- Checked every half term for core maths, reading and writing.
- Checked yearly for all other subjects.
- Target Tracker results correlate to extended writing assessments and Headstart Tests.
- SLT more confident in using Target Tracker to monitor progress, set targets, look at groupings etc.
- Able to use Target Tracker for gap analysis and ensure entire curriculum is taught.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**STRATEGIC REPORT (continued)**

**To raise standards across the academy (continued)**

**To implement a new whole school curriculum**

- Cornerstones purchased and staff training delivered.
- All staff given time each term to plan their topic in detail.
- Topic planning done by all staff in great detail using Cornerstones to support however staff have freedom to add, change etc.
- 3 large topics for three terms plus option to plan shorter filler topics for 2 week blocks if required.
- Use of Cornerstones coverage checker to ensure curriculum is balanced and covers all areas of the curriculum.
- New curriculum information and coverage available on school website.
- SLT monitor planning and books and good evidence of topics in topic books.
- Each subject leader involved in the review of this year's topics and offering support and ideas to ensure their subject is delivered as desired.
- Evidence of Cornerstones curriculum having good impact upon writing using it as a hook for both literacy, extended writing and in topic books.
- Good evidence of an improvement in topic work especially art, D.T. and computing.
- Clear enjoyment and learning shown in class assemblies showcasing the different topic work they have been doing.

**Moving forward**

- Continue to develop a full year's worth of curriculum planning.
- Resource topics not previously taught.
- Continue to share good practice.
- Evaluation of skills and building in skills sessions if lacking.

**To introduce a new system of teaching Mathematics throughout the academy**

- Headstart maths tests used approximately every 2 weeks.
- Across school similar areas of the maths curriculum being taught at the same time.
- Cold test to hot test showing progress in each topic area in each.
- Progress in maths good this year, children seem more confident in their end of term testing.
- More accurate use of target tracker based on findings from head start testing.
- Good coverage of the expected maths curriculum which can then be checked using the target tracker gap analysis.
- Headstart cold and hot tests have worked well. Staff feedback is that it has helped identify more quickly gaps in knowledge. It is also good to be able to see explicit progress.
- Headstart tests match Target Tracker so teachers are able to transfer data straight to this on a regular basis.
- Teacher assessment is largely in line with the end of year testing results – shows accuracy.
- White Rose medium term plan has worked. Teachers have covered all aspects of the curriculum.

**Moving Forward**

- Need to examine schemes etc. and have an accurate understanding of which times tables each year group are confident with.
- Teachers are good at the applying the arithmetic part of the math's curriculum, but not as confident when thinking about reasoning and mastery level or what this looks like.
- Subject leader needs more training on this

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**STRATEGIC REPORT (continued)**

**To raise standards across the academy (continued)**

**To monitor and evaluate the impact of the 'No Nonsense Spelling Scheme' in school.**

- A very positive scheme when done regularly.
- Allows more able children to be pushed and extra support for those who are struggling.
- Still teach some whole class spelling lessons to ensure class teacher knows exactly how whole class are performing in spelling.
- KS2 teaching discrete 15 minute spelling sessions three times per week, differentiated according to ability across Lower KS2 (4 groups) and then across upper KS2 (4 groups).
- Children enthusiastic and beginning to apply spelling in written work.
- Two sessions to teach strategies and one to be tested.
- Pupils set spellings as part of homework every week – only 5 spellings in line with the programme (mixture of spelling rules and common exception words).
- Pupils with very poor spelling skills targeted twice daily with common mistakes.

**Moving forward**

- More consistent teaching – prioritise more.
- Initial common exception words test, review mid year and at the end of the year.
- Include common exception words every week as part of words for testing.
- Target children identified in Year 5 and 6 and target twice daily with common mistakes.

**To Raise Attainment and Accelerate Progress in Writing throughout Key Stage 2**

- Monitoring of writing books to check appropriate use of writing assessment sheets and accuracy of teacher assessment.
- Staff advised with regard to specific pupils who were not using appropriate writing assessment sheets and expectations by Christmas set.
- Introduction of writing assessment sheets in line with teacher assessment framework for Year 2 and Year 6.
- After discussion implementation of Pre-KS1 and Pre-KS2 writing assessment sheets for use with SEN pupils who will not meet expected standard (in order to show progress).
- Verification of data to check accuracy of teacher assessment and progress towards expectations.

**Moving forward**

- Continue termly moderation meetings.
- Set termly targets for each member of staff and evaluate target group in monitoring.

**To develop the role of Assistant Headteacher**

- Axio executive leadership development.
- Lead worship whole school and key stage (KS).
- Lead KS staff meetings and moderation events.
- Visited other LA to share moderation.
- Moderation for LA.
- EYFS assessment, KS1/KS2 assessment.
- Both trained as Designated Safeguarding Leads.

**Moving forward**

- More opportunities to attend meetings and CPD with the Headteacher.
- More opportunities to deputise for Headteacher in her absence.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**STRATEGIC REPORT (continued)**

**Key performance indicators**

- The academy is full, with places already requested for Nursery in September 2019.
- The school has been asked by the LA to support another academy which is experiencing some challenges, making use of the excellent practice and leadership which is in the academy.
- The Key Stage results were very strong compared to last academic year, attainment is rising. Reading, Writing and Mathematics combined was higher than National.

<b>SUBJECT</b>	<b>2017</b>	<b>2018</b>
<b>Mathematics at Expected Standard</b>	78%	93%
<b>Mathematics at Greater Depth</b>	43%	50%
<b>Reading at Expected Standard</b>	74%	87%
<b>Reading at Greater Depth</b>	22%	47%
<b>Writing at Expected Standard</b>	70%	83%
<b>Writing at Greater Depth</b>	17%	27%
<b>Spelling, Punctuation and Grammar at Expected Standard</b>	70%	97%
<b>Spelling, Punctuation and Grammar at Greater Depth</b>	9%	40%
<b>Reading, Writing and Mathematics at Expected Standard</b>	65%	80%
<b>Reading, Writing and Mathematics at Greater Depth</b>	13%	23%

**Going concern**

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

**FINANCIAL REVIEW**

**Financial report for the period**

Most of the academy trust'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 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust 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 2018, total expenditure of £1,391,000 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 (excluding pension reserve movements and restricted fixed asset funds) was £28,000.

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

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**FINANCIAL REVIEW (continued)**

**Financial report for the period (continued)**

At 31 August 2018 the net book value of fixed assets was £1,573,000 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 £215,000 recognised on the Balance Sheet.

The academy trust held fund balances at 31 August 2018 of £1,695,000 comprising £1,595,000 of restricted fixed asset funds, £(215,000) restricted pension fund and £315,000 of unrestricted funds.

**Reserves policy**

The Governors review the reserve levels of the academy trust 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 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 level of reserves is reviewed by the Governors regularly throughout the year. 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.

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 trust's current level of free reserves are in surplus by £315,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy trust. The Governors continue to consider additional activities related to the academy trust's objectives to which the excess reserves may be applied including:

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

**Investment Policy**

Under the Memorandum and Articles of Association, the academy trust 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 trust 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 trust's pupils.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**FINANCIAL REVIEW (continued)**

**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 trust is a member of the Tyne and Wear Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust Balance Sheet.

The academy trust considers all risks and since conversion Governors have begun to implement a system to assess risks that may impact the academy trust 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 trust is subject to a number of risks and uncertainties in common with other academies. Holy Trinity Church of England Academy (South Shields) Trust has in place procedures to identify and mitigate financial risks. These are discussed further in the Risk Management section of this report, and in the Governance Statement.

The Governors have assessed the major risks to which the academy trust is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academy trust and its finances. The Governors have implemented a number of systems to assess risks that the academy trust 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 trust has an effective system of internal financial controls and this is detailed further in the Governance Statement.

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

**FUNDRAISING**

The academy trust 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 trust 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**

- To develop the library in Holy Trinity Church of England Academy (South Shields) Trust
- To develop and renew the provision for IT throughout the academy
- To develop music provision throughout the academy
- To implement, monitor and evaluate the ABRA reading initiative in Year 1
- To increase the attainment of girls at the higher level in Mathematics at the end of Key Stage 2
- To improve attendance and punctuality across the academy
- To develop the role of Higher Level Teaching Assistants throughout the academy.
- To develop and embed the new syllabus for RE
- To develop and embed a systematic whole school approach to the teaching of times tables.

**FUNDS HELD AS CUSTODIAN TRUSTEE 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 YEAR ENDED 31 AUGUST 2018**

**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 the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Governors' Report was approved by order of the Governing Body , as the company directors, on 12 December 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D J Pickersgill', written in a cursive style.

**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 Governing Body has delegated the day-to-day responsibility to the Head Teacher, 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 Governing Body 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 Governing Body has formally met 7 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
D J Pickersgill *, Chair	6	7
T L Murphy *	7	7
A Gedling *, Vice Chair	7	7
K Allan	6	7
Rev M P Thompson	6	7
E Clayton	4	7
R Swan	6	7
J Allan	6	7

\* Members of the Finance, Audit and Buildings Committee

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 trust Governors. There are plans to re-structure the Governing Body, to increase capacity should more academies/ schools wish to join the academy trust.

The academy trust 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 2019.

The Finance, Building and Audit Committee is a sub-committee of the main Governing Body. 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 at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
A Gedling, Chair	6	6
D J Pickersgill, Vice Chair	5	6
T L Murphy, Headteacher	6	6
L Davison (in attendance)	5	6



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

**Review of Value for Money**

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

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

- The 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.
- The replacement of the Deputy Headteacher by two Assistant Headteachers reduced academy salaries by £55,394 in the first instance.
- 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 academy are not replaced and the move is now to replace non-teaching staff with qualified teachers.
- Two Teaching Assistant 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 has continued to develop with the school supporting another academy in challenging circumstances. This will in turn generate more funding for the academy.
- Expedient use of funding has raised standards considerably this academic year.
  - At the end of KS2 Reading and Mathematics combined was in the top 5% of schools nationally.
  - GLD was 70% this is in line with National.
  - Phonics screening check was 9% above National this academic year.
  - Attainment at the end of Key Stage 1 was at least in line with National results.
- The Finance, Building and Audit Committee are constantly seeking ways to improve services to the academy trust and to maximize savings. Options are constantly being considered. This financial year the academy trust changed payroll providers resulting in a saving of £2,000. Also being considered this year are HR, Cleaning Services and School Meals Provision. Advice is being sought from other academies and academy trusts to ensure 'best value'.

**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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holy Trinity Church of England Academy (South Shields) Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors appointed Clive Owen LLP, the external auditors, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of Financial Regulations Manual
- testing of accounting systems
- testing of risk register and reserves policy
- testing of declarations of interest
- testing of income recognition
- testing of IT and data protection compliance
- testing of fixed assets register, capitalisation, depreciation and insurance
- testing of Corporation tax

On an annual basis, the reviewer reports to the Governing Body through the Finance, Buildings and Audit Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

During the period 1 September 2017 and 31 August 2018 one internal audit review was 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 trust will aim to adopt recommendations of best practice over the next financial period.

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

**GOVERNANCE STATEMENT (continued)**

**Review of Effectiveness**

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

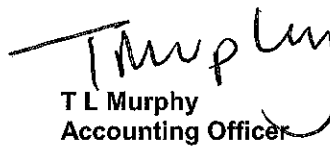
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 12 December 2018 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 trust Governing Body 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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 Governing Body and ESFA.

  
**TL Murphy**  
**Accounting Officer**

Date: 12 December 2018

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

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Governors (who act as trustees of Holy Trinity Church of England Academy (South Shields) Trust 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 Annual Accounts Direction issued 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 2017 to 2018;
- 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.

In so far as the Governors are aware:

- there is no relevant audit information of which the academy trust's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 Governing Body on 12 December 2018 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 trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 trust'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.

**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.

**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**

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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 Statement of Governors' Responsibilities, the Governors (who are also the directors of the academy trust 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the academy trust 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**

**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](http://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 trust'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 Governors 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 trust 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  
12 December 2018



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

**INDEPENDENT REPORTING ACCOUNTANTS' 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 1 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 the 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 the 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

**Approach (continued)**

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Governors;
- 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; and
- Review an instance of gifts/hospitality to ensure in line with policy.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have 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

12 December 2018

**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 YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	2	-	7	9	9
Charitable activities	3	-	1,265	-	1,265	1,270
Other trading activities	4	25	-	-	25	25
Investments	5	-	-	-	-	2
<b>TOTAL INCOME</b>		<b>27</b>	<b>1,265</b>	<b>7</b>	<b>1,299</b>	<b>1,306</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		55	1,292	44	1,391	1,402
<b>TOTAL EXPENDITURE</b>	7	<b>55</b>	<b>1,292</b>	<b>44</b>	<b>1,391</b>	<b>1,402</b>
<b>NET EXPENDITURE</b>		<b>(28)</b>	<b>(27)</b>	<b>(37)</b>	<b>(92)</b>	<b>(96)</b>
Actuarial gains on defined benefit pension schemes	19	-	73	-	73	224
<b>NET MOVEMENT IN FUNDS</b>		<b>(28)</b>	<b>46</b>	<b>(37)</b>	<b>(19)</b>	<b>128</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		343	(261)	1,632	1,714	1,586
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>315</b>	<b>(215)</b>	<b>1,595</b>	<b>1,695</b>	<b>1,714</b>

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

**(A Company Limited by Guarantee)  
REGISTERED NUMBER: 09098446**

**BALANCE SHEET  
AS AT 31 AUGUST 2018**

	Note	£000	2018 £000	2017 £000
<b>FIXED ASSETS</b>				
Tangible assets	12		1,573	1,617
<b>CURRENT ASSETS</b>				
Debtors	13	122	80	
Cash at bank and in hand		344	396	
		<u>466</u>	<u>476</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(129)	(118)	
<b>NET CURRENT ASSETS</b>			<u>337</u>	<u>358</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,910</u>	<u>1,975</u>
Defined benefit pension scheme liability	19		(215)	(261)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>1,695</u></u>	<u><u>1,714</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Fixed asset fund		1,595	1,632	
Pension reserve		(215)	(261)	
Total restricted income funds			<u>1,380</u>	<u>1,371</u>
Unrestricted income funds	15		<u>315</u>	<u>343</u>
<b>TOTAL FUNDS</b>			<u><u>1,695</u></u>	<u><u>1,714</u></u>

The financial statements on pages 25 to 49 were approved by the Governors, and authorised for issue, on 12 December 2018 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 YEAR ENDED 31 AUGUST 2018**

	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	17	(59)	(25)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		-	2
Purchase of tangible fixed assets		-	(8)
Capital grants from DfE Group		7	7
<b>Net cash provided by investing activities</b>		7	1
<b>Change in cash and cash equivalents in the year</b>		(52)	(24)
Cash and cash equivalents brought forward		396	420
<b>Cash and cash equivalents carried forward</b>		344	396

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**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 trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Holy Trinity Church of England Academy (South Shields) Trust constitutes a public benefit entity as defined by 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 trust at the discretion of the Governors.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 EXPENDITURE**

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

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

All expenditure is inclusive of irrecoverable VAT.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.5 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 trust 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. 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:

Long-term leasehold land	-	over 125 years
Leasehold improvements	-	over 50 years
Furniture and fixtures	-	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.

**1.7 INTEREST RECEIVABLE**

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

**1.8 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**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.

**1.11 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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 trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 costs as detailed in note 14. 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 instruments.

**1.13 TAXATION**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.14 PENSIONS**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary 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. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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 incorporating Income and Expenditure Account 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

The academy 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgment:

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 £44,000.

Land and buildings – Land is held under a 125 year lease from South Tyneside Borough Council. These assets are included on the Balance Sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, 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 trust could use them without major modification.

Buildings are held on a licence from the Diocese of Durham and Newcastle. Significant capital expenditure on the building was funded by the Department of Education, these leasehold improvements are therefore held on the Balance Sheet as the academy trust believes they will have access to the risks and rewards of these assets over their useful life.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	2	-	-	2	2
Capital grants	-	-	7	7	7
	<u>2</u>	<u>-</u>	<u>7</u>	<u>9</u>	<u>9</u>
Total 2017	<u>2</u>	<u>-</u>	<u>7</u>	<u>9</u>	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	934	934	926
Other DfE/ESFA grants	-	242	242	226
	<u>-</u>	<u>1,176</u>	<u>1,176</u>	<u>1,152</u>
<b>Other Government Grants</b>				
Other Government grants	-	89	89	118
	<u>-</u>	<u>89</u>	<u>89</u>	<u>118</u>
	<u>-</u>	<u>1,265</u>	<u>1,265</u>	<u>1,270</u>
Total 2017	<u>-</u>	<u>1,270</u>	<u>1,270</u>	

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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Sundry income	6	-	6	7
School Fund income	10	-	10	7
Uniforms	4	-	4	4
School trips	5	-	5	7
	<u>25</u>	<u>-</u>	<u>25</u>	<u>25</u>
Total 2017	<u>25</u>	<u>-</u>	<u>25</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Investment income	-	-	-	2
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total 2017	<u>2</u>	<u>-</u>	<u>2</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. CHARITABLE ACTIVITIES**

	2018 £000	2017 £000
<b>DIRECT COSTS</b>		
Wages and salaries	636	670
National insurance	60	61
Pension cost	131	141
Educational supplies	46	38
Staff development	1	-
Technology costs	17	19
Other direct costs	10	19
	<hr/> 901	<hr/> 948
<b>SUPPORT COSTS</b>		
Wages and salaries	101	102
National insurance	5	5
Pension costs	12	16
Depreciation	44	54
Net interest cost on pension scheme	6	8
Recruitment and support	29	22
Maintenance of premises and equipment	23	20
Cleaning	25	26
Rates	17	15
Energy	17	17
Insurance	6	6
Security	1	-
Technology costs	19	5
Transport	4	4
Catering	126	110
Other support costs	24	26
Governance costs	31	18
	<hr/> 490	<hr/> 454
	<hr/> <hr/> 1,391	<hr/> <hr/> 1,402

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**7. EXPENDITURE**

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Academy's educational operations:					
Direct costs	827	-	74	901	948
Support costs	118	127	245	490	454
	<u>945</u>	<u>127</u>	<u>319</u>	<u>1,391</u>	<u>1,402</u>
Total 2017	<u>995</u>	<u>122</u>	<u>285</u>	<u>1,402</u>	

In 2018, of the total expenditure, £55,000 (2017 - £22,000) was to unrestricted funds, £1,292,000 (2017 - £1,326,000) was to restricted funds and £44,000 (2017 - £54,000) was to restricted fixed asset funds.

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

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

There were no ex-gratia payments in the year.

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	44	54
Auditors' remuneration - audit	7	7
Auditors' remuneration - other services	2	5
Operating lease rentals	<u>6</u>	<u>2</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	701	704
Social security costs	65	66
Operating costs of defined benefit pension schemes	143	157
	<hr/>	<hr/>
	909	927
Agency staff costs	36	68
	<hr/>	<hr/>
	945	995
	<hr/>	<hr/>

Included within operating costs of defined benefit pension schemes is £21,000 (2017: £33,000) relating to the pension deficit actuarial adjustments.

**b. Staff numbers**

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

	2018 No.	2017 No.
Teaching staff	12	12
Administration and support	15	18
Management	4	2
	<hr/>	<hr/>
	31	32
	<hr/>	<hr/>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £80,001 - £90,000	1	1

**d. Key management personnel**

The key management personnel of the academy trust comprise of the Director's 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 trust was £323,000 (2017: £337,000).



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**10. GOVERNORS' REMUNERATION AND EXPENSES**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2018 £000	2017 £000
T Murphy	Remuneration	85-90	80-85
	Pension contributions paid	10-15	10-15
R Hall (resigned 5 November 2016)	Remuneration	-	5-10
	Pension contributions paid	-	0-5
D Tough (resigned 5 November 2016)	Remuneration	-	5-10
	Pension contributions paid	-	0-5
J Allan	Remuneration	25-30	20-25
	Pension contributions paid	5-10	0-5
R Swan	Remuneration	35-40	25-30
	Pension contributions paid	5-10	0-5

During the year, no Governors received any reimbursement of expenses (2017 - £Nil).

**11. GOVERNORS' AND OFFICERS' INSURANCE**

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

**12. TANGIBLE FIXED ASSETS**

	Long Term Leasehold Land £000	Leasehold improvements £000	Furniture and fixtures £000	Computer equipment £000	Total £000
<b>COST</b>					
At 1 September 2017 and 31 August 2018	59	1,634	39	59	1,791
<b>DEPRECIATION</b>					
At 1 September 2017	1	101	23	49	174
Charge for the year	-	33	5	6	44
At 31 August 2018	1	134	28	55	218
<b>NET BOOK VALUE</b>					
At 31 August 2018	58	1,500	11	4	1,573
At 31 August 2017	58	1,533	16	10	1,617

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. DEBTORS**

	2018 £000	2017 £000
Trade debtors	-	1
VAT recoverable	25	10
Other debtors	13	13
Prepayments and accrued income	84	56
	<u>122</u>	<u>80</u>

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

	2018 £000	2017 £000
Trade creditors	81	53
Other taxation and social security	16	17
Other creditors	-	16
Accruals and deferred income	32	32
	<u>129</u>	<u>118</u>

**DEFERRED INCOME**

	2018 £000	2017 £000
Deferred income at 1 September 2017	18	43
Resources deferred during the year	10	18
Amounts released from previous years	(18)	(43)
Deferred income at 31 August 2018	<u>10</u>	<u>18</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. STATEMENT OF FUNDS**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**15. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
<b>GENERAL FUNDS</b>						
General Funds	336	29	(22)	-	-	343
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	15	738	(753)	-	-	-
Other DfE / ESFA grants	-	226	(226)	-	-	-
Pupil Premium	-	188	(188)	-	-	-
Other Government grants	-	118	(118)	-	-	-
Pension reserve	(444)	-	(41)	224	-	(261)
	(429)	1,270	(1,326)	224	-	(261)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Assets transferred from						
Local Authority	1,632	-	(40)	-	-	1,592
Devolved Formula Capital	27	7	(5)	-	-	29
Assets financed by GAG	15	-	(7)	-	-	8
Assets financed by unrestricted funds	5	-	(2)	-	-	3
	1,679	7	(54)	-	-	1,632
Total restricted funds	1,250	1,277	(1,380)	224	-	1,371
Total of funds	1,586	1,306	(1,402)	224	-	1,714

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>UNRESTRICTED FUNDS</b>						
General Funds	336	56	(77)	-	-	315
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	15	1,672	(1,687)	-	-	-
Other DfE / ESFA grants	-	267	(267)	-	-	-
Pupil Premium	-	389	(389)	-	-	-
Other Government grants	-	207	(207)	-	-	-
Pension reserve	(444)	-	(68)	224	73	(215)
	(429)	2,535	(2,618)	224	73	(215)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Assets transferred from						
Local Authority	1,632	-	(68)	-	-	1,564
Devolved Formula Capital	27	14	(11)	-	-	30
Assets financed by GAG	15	-	(14)	-	-	1
Assets financed by unrestricted funds	5	-	(5)	-	-	-
	1,679	14	(98)	-	-	1,595
	1,250	2,549	(2,716)	224	73	1,380
<b>Total of funds</b>	<b>1,586</b>	<b>2,605</b>	<b>(2,793)</b>	<b>224</b>	<b>73</b>	<b>1,695</b>

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 trust including salaries and related costs, overheads, repairs and maintenance and insurance.

Other DfE/ESFA Grants includes Pupil Premium which is additional funding to be spent as the academy sees fit to support deprived students, UIFSM income to be used to provide free school meals to infants, rates relief, NCSL income and other ESFA grants to be used for educational purposes.

Other Government Grants includes Nursery Funding and LAC funding from the Local Authority.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 19.

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 can be used for any purpose, at the discretion of the Governors, within the objects of the academy trust.

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**15. STATEMENT OF FUNDS (continued)**

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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

	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)
	<u>315</u>	<u>(215)</u>	<u>1,595</u>	<u>1,695</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	1,617	1,617
Current assets	344	117	15	476
Creditors due within one year	(1)	(117)	-	(118)
Provisions for liabilities and charges	-	(261)	-	(261)
	<u>343</u>	<u>(261)</u>	<u>1,632</u>	<u>1,714</u>

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £000	2017 £000
Net expenditure for the year (as per Statement of Financial Activities)	(92)	(96)
<b>Adjustment for:</b>		
Depreciation charges	44	54
Dividends, interest and rents from investments	-	(2)
(Increase)/decrease in debtors	(42)	2
Increase/(decrease) in creditors	11	(17)
Capital grants from DfE and other capital income	(7)	(7)
Defined benefit pension scheme cost less contributions payable	21	33
Defined benefit pension scheme finance cost	6	8
<b>Net cash used in operating activities</b>	<u>(59)</u>	<u>(25)</u>

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**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £000	2017 £000
Cash in hand	344	396
Total	<u>344</u>	<u>396</u>

**19. PENSION COMMITMENTS**

The academy trust's employees belong to two principal pension schemes: the Teacher's 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 Pension Schemes.

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

Contributions amounting to £nil were payable to the schemes at 31 August 2018 (2017 - 16,000) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% 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 £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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**19. PENSION COMMITMENTS (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £81,000 (2017 - £72,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £54,000 (2017 - £66,000), of which employer's contributions totalled £41,000 (2017 - £53,000) and employees' contributions totalled £13,000 (2017 - £13,000). The agreed contribution rates for future years are 25.2% 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.50 %	3.40 %
Rate of increase for pensions in payment / inflation	2.00 %	1.90 %
Inflation assumption (CPI)	2.00 %	1.90 %
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:

	2018	2017
Retiring today		
Males	22.9	22.8
Females	26.4	26.3
Retiring in 20 years		
Males	25.1	25.0
Females	28.7	28.6



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**19. PENSION COMMITMENTS (continued)**

	At 31 August 2018 £000	At 31 August 2017 £000
<b>Sensitivity analysis</b>		
Discount rate +0.1%	862	818
Discount rate -0.1%	915	869
Mortality assumption - 1 year increase	863	819
Mortality assumption - 1 year decrease	913	868
CPI rate +0.1%	902	856
CPI rate -0.1%	874	830

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	454	384
Government bonds	27	23
Corporate bonds	75	67
Property	57	52
Cash and other liquid assets	15	23
Other	45	33
<b>Total market value of assets</b>	<b>673</b>	<b>582</b>

The actual return on scheme assets was £38,000 (2017 - £63,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Current service cost	(62)	(85)
Interest income	15	10
Interest cost	(21)	(18)
<b>Total</b>	<b>(68)</b>	<b>(93)</b>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £000	2017 £000
Opening defined benefit obligation	843	900
Current service cost	62	85
Interest cost	21	18
Employee contributions	13	13
Actuarial gains	(50)	(171)
Benefits paid	(1)	(2)
<b>Closing defined benefit obligation</b>	<b>888</b>	<b>843</b>

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**19. PENSION COMMITMENTS (continued)**

Movements in the fair value of the academy trust's share of scheme assets:

	2018 £000	2017 £000
Opening fair value of scheme assets	582	456
Interest income	15	10
Actuarial gains	23	53
Employer contributions	41	52
Employee contributions	13	13
Benefits paid	(1)	(2)
	<hr/>	<hr/>
Closing fair value of scheme assets	673	582
	<hr/> <hr/>	<hr/> <hr/>

**20. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
<b>AMOUNTS PAYABLE:</b>		
Within one year	2	2
Between one and five years	2	1
	<hr/>	<hr/>
Total	4	3
	<hr/> <hr/>	<hr/> <hr/>

**21. NET INTEREST COST ON PENSION SCHEME**

	2018 £000	2017 £000
Interest income on pension scheme assets	15	10
Interest on pension scheme liabilities	(21)	(18)
	<hr/>	<hr/>
	(6)	(8)
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the year:

Expenditure Related Party Transactions

New Seaham Academy

The academy trust made purchases of £nil (2017: £3,000) from New Seaham Academy, a company in which T Murphy is a Director.

The academy trust made the purchase at arms' length.

In entering into the transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

