

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

(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST 2020**

**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**

**Members**

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

**Governors**

D J Pickersgill, Chair<sup>1</sup>  
A Gedling, Vice Chair<sup>1</sup>  
J Allan  
E Clayton  
J M Gammon (appointed 1 March 2020)  
E Middleton (appointed 1 March 2020)  
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

**Company secretary**

C Henderson

**Senior leadership team**

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

**Independent auditors**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**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 PERIOD ENDED 31 AUGUST 2020**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Governors' report and a Directors' report under company law.

The trust operates as a Church of England Academy for pupils aged 3 to 11 years, serving the local areas of West Harton and All Saints' Ward in South Shields. It has a pupil capacity of 210 and a roll of 239 in the school census on 3 October 2020. The academy provides an education for pupils of all abilities.

**Structure, governance and management**

**Constitution**

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

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

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

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

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

**Members' liability**

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

**Governors' indemnities**

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

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

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

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 PERIOD ENDED 31 AUGUST 2020**

**Structure, governance and management (continued)**

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

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

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

The Members may appoint Staff Governors through such process as they shall determine but shall ensure that the total number of Governors, including the Holy Trinity Headteacher, who are employees of the Company does not exceed one third of the total number of Governors.

The term of office for any Governor shall be 4 years, although this limit does not extend to the Headteacher of the academy. Governors are permitted to stand for re-election at the meeting at which they retire, should they remain eligible to do so. New Governors are recruited in accordance with the academy's Articles of Association and Article 16 of the Funding Agreement.

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

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

A programme of Governor CPD runs throughout the year.

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

- OFSTED Inspection Information,
- Safer recruitment of staff,
- Safeguarding the welfare of pupils.

**Organisational structure**

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

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

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

The SLT consists of the Headteacher, and two Assistant Headteachers, the Academy Business Manager and the Academy Bursar. The SLT lead and manage the academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher and the Governors are responsible for



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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**Structure, governance and management (continued)**

**Organisational structure (continued)**

authorisation of spending with agreed budgets as stated in the Scheme of Delegation and Finance Handbook and the appointment of staff.

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

The Headteacher is the Accounting Officer for the academy.

**Arrangements for setting pay and remuneration of key management personnel**

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

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

**Objectives and activities**

**Objects and aims**

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

The main objectives of the academy during the year ended 31 August 2020 are as summarised below:

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

*Ethos Statement:*

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

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**Objectives and activities (continued)**

**Objects and aims (continued)**

Aims of the school:

To provide a welcoming, caring and supportive environment in which Christian values are central to the life of the school;

Striving for excellence in teaching, learning and all aspects of school life;

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

**Objectives, strategies and activities**

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

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

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

**Public benefit**

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



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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**Strategic report**

**Achievements and performance**

**Objectives Achieved 2019/2020**

To raise standards across the academy

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

To ensure that the whole school curriculum is planned and sequenced effectively and that children understand the knowledge and skills they are acquiring.

- All staff to be allocated a subject area.
- All staff to undertake appropriate training in subject leadership.
- All subjects to have policies updated and formatted in line with school procedures.
- All policies to meet the requirements of the new SIAMS framework.
- All skills progression documents reviewed for each subject.
- All staff to be fully aware of the skills, knowledge and understanding required for their subject area.

Progress to COVID-19 lockdown:

- All staff have subject area and have been given time to develop their subject.
- All staff have been on CPD to develop their understanding of 'deep dives'.
- Curriculum lead delivered whole staff CPD on OFSTED and academy expectations.
- SLT streamlined curriculum and changed units in line with the cultural capital of the children.
- Regular monitoring and evaluation of teaching and learning by Curriculum Lead.
- A diverse range of experiences and visitors are being introduced into the academy e.g. beekeeper.
- Curriculum is showing more logical progression throughout the school.
- All staff have started to assess all curriculum areas – to be updated twice a year.
- Staff working closely with specialist subject teachers.
- Career based learning introduced to the curriculum through Northumbria University and STEM.
- Curriculum promoted more throughout the school and to the community – through Facebook and website.
- Close link between English texts and the curriculum to ensure more interest and engagement from the children.
- All new staff introduced to Holy Trinity 'way of working' and have assumed curriculum responsibility.
- Eco club set up in school – will enable further engagement with the community.
- Science club in school involving chn and parents.
- Curriculum based links to be developed with feeder schools e.g. maths and computing.

To raise attainment and accelerate progress in Reading throughout the academy.

- To develop and encourage a love of reading in children throughout the academy.
- To ensure that all children are given the opportunity to change their library books once a week.
- To ensure all children are reading at home at least once a week – where this is not happening to ensure that staff read with children on at least a weekly basis.
- To encourage parents into school to read with their children.
- To develop peer-to-peer reading throughout the school – focus children who are not yet decoding text.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**Achievements and performance (continued)**

Progress to COVID-19 lockdown:

- Purchase of Kindles
- Library all computerised
- Chn's electronic books bought
- Audio books available for chn
- Staff doing reading club every week
- Reading club for KS2 weekly basis
- Staff signed up to let chn know what they are reading
- Librarians having meetings with staff
- Purchase of Reading Plus (chn have read over 2 million words)
- Chn accessing Reading Plus at home
- Reciprocal reading intervention aimed also at GD readers in Y3 and Y4 to maintain progress
- Phonics books audited – new books purchased to ensure match to phonics which is being taught.
- Staff training arranged – phonics
- Lead CPD Early Reading – deep dive
- Analysis by Miss Scott of Y6 test papers to identify objectives chn are struggling with and which year group they should have been covered in

To raise attainment and accelerate progress in Mathematics throughout the academy

- To develop a consistent and coherent approach to the teaching of mathematics throughout the school.
- To ensure that all children have the necessary basic skills to be use and apply them to problem solving contexts.
- Through the use of educational visits/visitors raise awareness in children the need for them to have good mathematical skills to prepare them for later life
- To encourage parents to become more involved in the mathematics teaching and learning in school.

Progress to COVID-19 lockdown:

- New long-term plan.
- New progression document.
- Progression documents made for each area e.g. shapes.
- Maths vocabulary document.
- New incentive for times tables.
- All request Times Table Rock Star lunchtime club.
- Staff CPD on progression documents/using the Headstart test materials.
- Y2 Maths moderation training for Lead and Y2 staff.
- New weekly planning sheet.
- Maths Lead has visited other schools.

To continue to develop Collective Worship in the academy

- To develop the school Collective Worship plan.
- To include more children in planning and delivering collective worship.
- To include more stakeholders (including children and parents) in the evaluation of collective worship
- To develop a wide range of worship.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**Achievements and performance (continued)**

Progress to COVID-19 lockdown:

- Worship evaluations continue to be completed by staff and children where appropriate.
- CPD organised for Mrs Murphy and Miss Scott.
- Visits to other CofE schools arranged.
- All worship events reflect Anglican church calendar.
- RE advisor arranged to work with SLT.

Since the outbreak of COVID-19 the academy has worked tirelessly to support the children. We remained open all through the lockdown supporting the children of Key Workers and Vulnerable Children. We opened to all year groups finally, culminating with 95 children attending before the summer break.

Staff were initially on a three-week rota. All staff returned to normal working on 1 June 2020. All guidance has and still is being adhered to. Risk assessments are regularly updated in the light of DfE changes.

We have continued to provide as normal an education as possible since re-opening in September. Attendance has been good. This has substantiated the obvious trust that parents have in the academy.

Plans are now in place to develop a Recovery Curriculum and Remote Learning for all children in the event of a full lockdown or that children from specific year groups are sent home.

Unfortunately, at this moment in time the academy is still working with the disappointing Key Stage 2 2019 data as there were not any formative assessments due to the COVID-19 outbreak. Early indications for 2020 were that the data would be much improved. It is hoped that formative assessments will be used this year, however, without the need to report them nationally.



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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

	2020	2019
Total revenue income per pupil	£5,975	£6,025
Total GAG income per pupil	£4,111	£4,250
Total revenue costs (excl pension) per pupil	£5,725	£5,903
Staff costs as a % of costs	70%	68%

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



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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**Achievements and performance (continued)**

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

**Going concern**

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

**HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Financial review**

Most of the academy's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31 August 2020, total expenditure of £1,508,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding pension reserve movements and restricted fixed asset funds) was £8,000.

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

At 31 August 2020 net book value of fixed assets was £1,515,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £737,000 recognised on the Balance Sheet.

The academy held fund balances as at 31 August 2020 of £1,204,000 comprising £66,000 of restricted general funds, £1,536,000 of restricted fixed asset funds, a pension deficit of £(737,000) and £339,000 of unrestricted funds.

**Reserves policy**

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

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

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

This is considered sufficient to cover:

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



**HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**Financial review (continued)**

As at 31 August 2020 the academy holds available reserves of £405,000, comprising of restricted general funds (excluding pension reserves) of £66,000 and unrestricted funds of £339,000. The Trustees continue to consider additional activities related to the academy's objectives to which the excess reserves may be applied including:

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

**Investment policy**

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

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

**Principal risks and uncertainties**

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

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

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

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

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

**Fundraising**

The academy raises funds bi-annually for the benefit of the children and to help subsidise the costs of educational visits and activities for the children e.g. Christmas parties. The funds raised are used totally for the benefit of the children. The academy does not work with any commercial participators / professional fundraisers. Contributions to the fundraising activities is purely voluntary, without pressure to any individuals or vulnerable people. Monies raised are spent on all of the pupils.

**HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**Plans for future periods**

Most of the predicted outcomes were not completed on last year's School Improvement Plan due to the COVID-19 pandemic. Therefore, two of the main outcomes will continue – attainment in Reading and Mathematics. The academy will also be focusing on a remote learning policy to ensure that children who miss out on learning due to COVID-19 issues will be able to learn remotely at home. Work is also continuing on a recovery curriculum to ensure that learning that has been missed is caught up. The financial effects of COVID-19 the need for more sanitization, more staffing etc. has not yet been measured although it will certainly have an effect on the end of year balance should support from the Department for Education not be forth coming. This is also accompanied by wage increases that will also not be funded.

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

**Headlines for School Improvement 2020/2021**

- To raise attainment in Mathematics throughout the academy
- To raise attainment in Reading throughout the academy
- To embed the Recovery Curriculum throughout the school
- To ensure that the Academy has a concise and coherent policy for Remote Learning

**Funds held as custodian on behalf of others**

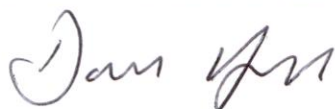
There are no funds held on behalf of others.

**Disclosure of information to auditors**

Insofar as the Governors are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 9 December 2020 and signed on its behalf by:



**D J Pickersgill**  
Chair



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

**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 3 times during the year. The Board met less than six times due to the clearly established committees/portfolio groups of Governors who can deal with specific areas of responsibility, following robust terms of reference.

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

Governor	Meetings attended	Out of a possible
D J Pickersgill, Chair	2	3
A Gedling, Vice Chair	3	3
J Allan	3	3
E Clayton	0	3
J M Gammon (appointed 1 March 2020)	2	2
E Middleton (appointed 1 March 2020)	1	2
T L Murphy, Accounting Officer	3	3
R Swan	2	3
Rev M P Thompson	3	3

The academy regularly undertakes reviews of strategic leadership and management, as well as teaching and overall performance. During the reporting period concerned, external evaluations were carried out by school improvement partners which included interviews with members of the Governing Body and assessed the impact that it has on the daily running of the academy. During this financial year a review highlighted the need for more Governors to join the Board with more educational experience this resulted in the appointment of Miss Middleton and Mrs Gammon who bring a breadth of knowledge and understanding of education to ensure appropriate challenge to the school. Another self-evaluation review of the Governing Body has been started this academic year 2020/21.

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

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

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
A Gedling, Chair	3	3
D J Pickersgill, Vice Chair	3	3
T L Murphy, Accounting Officer	3	3

**Review of value for money**

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

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

- The 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 Finance Committee receive monthly accounts from the School Bursar.
- Supply costs have been decreasing year on year – staffing utilised in school to cover costs of any CPD and absence. Non-teaching staff who leave the school are not replaced and the move is now to replace non-teaching staff with qualified teachers.
- A full-time Sports Coach has been employed this will reduce the costs of coaching cover during extra-curricular activities. His salary is also supplemented via work done with another local school.
- Two Teaching Assistants have qualified as Higher Level Teaching Assistants which has eradicated the need for supply teachers.
- The Academy is a National Support School and the Headteacher a National Leader of Education. This has generated more funding for the academy.
- The Finance, Building and Audit Committee are constantly seeking ways to improve services to the academy and to maximize savings. Money saving options are constantly being considered.
- The Accounting Officer meets with the School Bursar on a weekly basis.
- The School Bursar knows the school extremely well and has a sound understanding of the vision of the Headteacher and Governing Body

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holy Trinity Church of England Academy (South Shields) Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.



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

**The risk and control framework**

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

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

The Board of Governors has considered the need for a specific internal audit function has appointed Clive Owen LLP as internal auditor.

The academy has sought tenders for the provision of internal audit services for the financial year 2020/21 to separate the role in line with revised FRC Ethical Standard (15 March 2020).

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

- testing of payroll systems
- testing of purchase systems
- testing of petty cash/expenses procedures
- testing of income
- testing of accounting systems and management information produced
- testing of gifts and hospitality & honorarium/ex-gratia payments
- testing of information technology strategy
- testing of fixed assets
- testing of bank payments
- testing of VAT and Corporation tax position
- review of Financial Regulations Manual
- Board of Governors Committee agendas and minutes

On a semi-annual basis, the internal auditor reports to the Board of Governors through the Finance, Building and Audit committee on the operation of the systems of control and on the discharge of the Board of Governors financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

All work was completed as planned. An error was found on a staff contract. The academy is now working with a different HR provider.

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

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

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

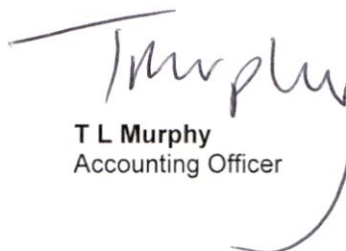
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on 9 December 2019 and signed on their behalf by:



**D J Pickersgill**  
Chair



**T L Murphy**  
Accounting Officer



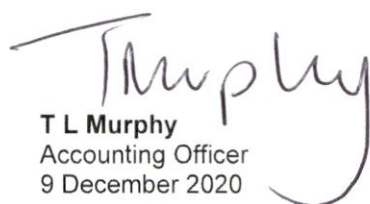
**HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Holy Trinity Church of England Academy (South Shields) Trust I have considered my responsibility to notify the academy Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy Board of Governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2019.

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

  
**T L Murphy**  
Accounting Officer  
9 December 2020

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

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 9 December 2020 and signed on its behalf by:



**D J Pickersgill**  
Chair

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

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

**Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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



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

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

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

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

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

**Responsibilities of Governors**

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

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

**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.

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

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

**Use of our report**

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Kevin Shotton BA BFP FCA (Senior Statutory Auditor)**

for and on behalf of  
**Clive Owen LLP**

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

9 December 2020



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

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

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Holy Trinity Church of England Academy (South Shields) Trust's funding agreement with the Secretary of State for Education dated 21 July 2014 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

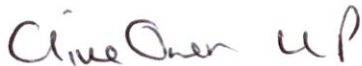


HOLY TRINITY CHURCH OF ENGLAND ACADEMY (SOUTH SHIELDS) TRUST  
(A Company Limited by Guarantee)

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in dark ink, appearing to read 'Clive Owen' followed by a stylized flourish or initials.

**Clive Owen LLP**

Reporting Accountant

140 Coniscliffe Road  
Darlington  
County Durham  
DL3 7RT

9 December 2020

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE PERIOD ENDED 31 AUGUST 2020**

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
<b>Income from:</b>						
Donations and capital grants	3	1	-	8	9	32
Charitable activities	4	7	1,438	-	1,445	1,394
Other trading activities	5	8	-	-	8	11
Investments	6	4	-	-	4	2
<b>Total income</b>		<u>20</u>	<u>1,438</u>	<u>8</u>	<u>1,466</u>	<u>1,439</u>
<b>Expenditure on:</b>						
Charitable activities	7	14	1,452	42	1,508	1,504
<b>Total expenditure</b>		<u>14</u>	<u>1,452</u>	<u>42</u>	<u>1,508</u>	<u>1,504</u>
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>6</u>	<u>(14)</u>	<u>(34)</u>	<u>(42)</u>	<u>(65)</u>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(191)	-	(191)	(193)
<b>Net movement in funds</b>		<u>6</u>	<u>(205)</u>	<u>(34)</u>	<u>(233)</u>	<u>(258)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		333	(466)	1,570	1,437	1,695
Net movement in funds		6	(205)	(34)	(233)	(258)
<b>Total funds carried forward</b>		<u>339</u>	<u>(671)</u>	<u>1,536</u>	<u>1,204</u>	<u>1,437</u>

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

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	13	1,515	1,551
		<u>1,515</u>	<u>1,551</u>
<b>Current assets</b>			
Debtors	14	237	242
Cash at bank and in hand		286	217
		<u>523</u>	<u>459</u>
Creditors: amounts falling due within one year	15	(97)	(96)
<b>Net current assets</b>		<u>426</u>	<u>363</u>
<b>Total assets less current liabilities</b>		<u>1,941</u>	<u>1,914</u>
<b>Net assets excluding pension liability</b>		<u>1,941</u>	<u>1,914</u>
Defined benefit pension scheme liability	22	(737)	(477)
<b>Total net assets</b>		<u><u>1,204</u></u>	<u><u>1,437</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	1,536	1,570
Restricted income funds	16	66	11
		<u>1,602</u>	<u>1,581</u>
Restricted funds excluding pension asset	16	1,602	1,581
Pension reserve	16	(737)	(477)
<b>Total restricted funds</b>	16	<u>865</u>	<u>1,104</u>
<b>Unrestricted income funds</b>	16	339	333
<b>Total funds</b>		<u><u>1,204</u></u>	<u><u>1,437</u></u>

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

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

BALANCE SHEET (CONTINUED)  
AS AT 31 AUGUST 2020

The financial statements on pages 28 to 56 were approved by the Governors, and authorised for issue on 09 December 2020 and are signed on their behalf, by:

A handwritten signature in dark 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)**

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

	Note	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	67	24
<b>Cash flows from investing activities</b>	19	2	(151)
<b>Change in cash and cash equivalents in the year</b>		69	(127)
Cash and cash equivalents at the beginning of the year		217	344
<b>Cash and cash equivalents at the end of the year</b>	20, 21	286	217

The notes on pages 32 to 56 form part of these financial statements

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2020**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Fund accounting**

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

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

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



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

**1.3 Income**

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

**1.4 Interest receivable**

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

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

**1.5 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Going concern**

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

**1.7 Tangible fixed assets**

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

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

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



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

**1.7 Tangible fixed assets (continued)**

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

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

**1.8 Operating leases**

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

**1.9 Debtors**

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

**1.10 Cash at bank and in hand**

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

**1.11 Liabilities and Provisions**

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

**1.12 Financial instruments**

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

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

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

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

**1.13 Taxation**

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

**1.14 Pensions**

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

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

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

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



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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £42,000.

Critical areas of judgment:

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

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



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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. Income from donations and capital grants**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	1	-	1	2	15
Capital Grants	-	-	7	7	17
<b>Total 2020</b>	<u>1</u>	<u>-</u>	<u>8</u>	<u>9</u>	<u>32</u>
Total 2019	<u>14</u>	<u>1</u>	<u>17</u>	<u>32</u>	

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**4. Funding for the academy's educational operations**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,003	1,003	1,003
Pupil Premium	-	206	206	203
PE Teacher Grant	-	18	18	18
UIFSM	-	16	16	14
Rates	-	5	5	5
NCTL grants	-	2	2	6
Teachers' pay grant	-	12	12	8
Other DfE Group grants	-	38	38	1
	-	1,300	1,300	1,258
<b>Other Government grants</b>				
SEN	-	17	17	12
Early Years Funding	-	106	106	104
Local Authority grants	-	11	11	9
Other Government grants	-	-	-	2
	-	134	134	127
<b>Other funding</b>				
Non Government non grant income	-	4	4	-
Student Trips	7	-	7	9
<b>Total 2020</b>	7	1,438	1,445	1,394
<b>Total 2019</b>	9	1,385	1,394	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Income from other trading activities**

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Rental income	-	-	1
Other	8	8	10
<b>Total 2020</b>	<u>8</u>	<u>8</u>	<u>11</u>
Total 2019	<u>11</u>	<u>11</u>	

**6. Investment income**

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Investment income - local cash	<u>4</u>	<u>4</u>	<u>2</u>
Total 2019	<u>2</u>	<u>2</u>	

**7. Expenditure**

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Academy's educational operations:					
Direct costs	975	-	78	1,053	992
Allocated support costs	110	116	229	455	512
<b>Total 2020</b>	<u>1,085</u>	<u>116</u>	<u>307</u>	<u>1,508</u>	<u>1,504</u>
Total 2019	<u>1,031</u>	<u>135</u>	<u>338</u>	<u>1,504</u>	



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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Expenditure (continued)**

In 2020, of the total expenditure, £14,000 (2019 - £19,000) was to unrestricted funds and £1,494,000 (2019 - £1,485,000) was to restricted funds.

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

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

There were no ex-gratia payments in the year.

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Academy's educational operations	1,053	455	1,508	1,504
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	992	512	1,504	
	<hr/>	<hr/>	<hr/>	

**Analysis of direct costs**

	Total funds 2020 £000	Total funds 2019 £000
Staff costs	975	896
Educational supplies	45	63
Technology costs	3	6
Educational consultancy	24	22
Transport	6	5
	<hr/>	<hr/>
<b>Total 2020</b>	<b>1,053</b>	<b>992</b>
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Total funds 2020 £000	Total funds 2019 £000
Net interest cost on pension scheme	9	5
Staff costs	110	135
Depreciation	42	42
Staff development	7	16
Technology costs	15	23
Maintenance of premises	10	16
Cleaning	31	27
Other premises costs	12	15
Energy	13	28
Rent & rates	5	5
Insurance	6	6
Operating lease rentals	17	17
Catering	123	119
Security	1	-
Other costs	27	27
Governance costs	27	31
<b>Total 2020</b>	<u><u>455</u></u>	<u><u>512</u></u>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	17	17
Depreciation of tangible fixed assets	42	42
Fees paid to auditors for:		
- audit	8	7
- other services	<u><u>2</u></u>	<u><u>2</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	771	734
Social security costs	69	63
Pension costs	217	178
	<u>1,057</u>	<u>975</u>
Agency staff costs	28	49
Staff restructuring costs	-	7
	<u>1,085</u>	<u>1,031</u>

Included within operating costs of defined benefit pension schemes is £60,000 (2019: £64,000) relating to the pension deficit actuarial adjustments.

Staff restructuring costs comprise:

	2020 £000	2019 £000
Severance payments	-	7
	<u>-</u>	<u>7</u>

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

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £Nil (2019: £4,000).

**c. Staff numbers**

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

	2020 No.	2019 No.
Teaching staff	9	9
Administration and support	17	14
Management	4	5
	<u>30</u>	<u>28</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Staff (continued)**

**d. Higher paid staff**

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

	2020 No.	2019 No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

**e. Key management personnel**

The key management personnel of the academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £361,000 (2019 £360,000).

**11. Governors' remuneration and expenses**

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

		2020 £000	2019 £000
T L Murphy	Remuneration	90 - 95	85 - 90
	Pension contributions paid	20 - 25	10 - 15
J Allan	Remuneration	30 - 35	30 - 35
	Pension contributions paid	5 - 10	5 - 10
R Swan	Remuneration	40 - 45	40 - 45
	Pension contributions paid	5 - 10	5 - 10

During the year ended 31 August 2020, no Governor expenses have been incurred (2019 - £NIL).

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

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

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**13. Tangible fixed assets**

	Leasehold land £000	Leasehold improvements £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2019	59	1,637	56	59	1,811
Additions	-	-	-	6	6
At 31 August 2020	59	1,637	56	65	1,817
<b>Depreciation</b>					
At 1 September 2019	2	167	33	58	260
Charge for the year	-	33	5	4	42
At 31 August 2020	2	200	38	62	302
<b>Net book value</b>					
At 31 August 2020	57	1,437	18	3	1,515
At 31 August 2019	57	1,470	23	1	1,551

**14. Debtors**

	2020 £000	2019 £000
<b>Due within one year</b>		
VAT repayable	6	7
Other debtors	3	10
Prepayments and accrued income	75	75
Short term investments	153	150
	237	242

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Creditors: Amounts falling due within one year**

	2020 £000	2019 £000
Trade creditors	29	42
Other taxation and social security	14	17
Other creditors	1	-
Accruals and deferred income	53	37
	<u>97</u>	<u>96</u>
	<u><u>97</u></u>	<u><u>96</u></u>
	2020 £000	2019 £000
<b>Deferred Income</b>		
Deferred income at 1 September 2019	11	10
Resources deferred during the year	9	11
Amounts released from previous periods	(11)	(10)
	<u>9</u>	<u>11</u>
<b>Deferred income at 31 August 2020</b>	<u><u>9</u></u>	<u><u>11</u></u>

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



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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Statement of funds**

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
<b>Unrestricted funds</b>					
General funds	333	20	(14)	-	339
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,003	(944)	-	59
Pupil Premium	-	208	(208)	-	-
Other DfE / ESFA grants	11	89	(93)	-	7
SEN	-	17	(17)	-	-
Other Government grants	-	117	(117)	-	-
Other	-	4	(4)	-	-
Pension reserve	(477)	-	(69)	(191)	(737)
	<u>(466)</u>	<u>1,438</u>	<u>(1,452)</u>	<u>(191)</u>	<u>(671)</u>
<b>Restricted fixed asset funds</b>					
Assets transferred from Local Authority	1,527	-	(35)	-	1,492
Devolved Formula Capital	43	7	(7)	-	43
Donations	-	1	-	-	1
	<u>1,570</u>	<u>8</u>	<u>(42)</u>	<u>-</u>	<u>1,536</u>
<b>Total Restricted funds</b>	<u>1,104</u>	<u>1,446</u>	<u>(1,494)</u>	<u>(191)</u>	<u>865</u>
<b>Total funds</b>	<u><u>1,437</u></u>	<u><u>1,466</u></u>	<u><u>(1,508)</u></u>	<u><u>(191)</u></u>	<u><u>1,204</u></u>

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**16. Statement of funds (continued)**

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

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

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

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

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

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

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

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

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**16. Statement of funds (continued)**

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

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



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**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

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

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	1,551	1,551
Current assets	333	107	19	459
Creditors due within one year	-	(96)	-	(96)
Provisions for liabilities and charges	-	(477)	-	(477)
<b>Total</b>	<b>333</b>	<b>(466)</b>	<b>1,570</b>	<b>1,437</b>

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

	2020 £000	2019 £000
Net expenditure for the period (as per Statement of Financial Activities)	(42)	(65)
<b>Adjustments for:</b>		
Depreciation	42	42
Capital grants from DfE and other capital income	(7)	(17)
Defined benefit pension scheme cost less contributions payable	60	64
Defined benefit pension scheme finance cost	9	5
Decrease in debtors	8	30
Increase/(decrease) in creditors	1	(33)
Dividends, interest and rents from investments	(4)	(2)
<b>Net cash provided by operating activities</b>	<b>67</b>	<b>24</b>

**19. Cash flows from investing activities**

	2020 £000	2019 £000
Dividends, interest and rents from investments	1	2
Purchase of tangible fixed assets	(6)	(20)
Capital grants from DfE Group	7	17
Short term investments	-	(150)
<b>Net cash provided by/(used in) investing activities</b>	<b>2</b>	<b>(151)</b>

**20. Analysis of cash and cash equivalents**

	2020 £000	2019 £000
Cash in hand	286	217
<b>Total cash and cash equivalents</b>	<b>286</b>	<b>217</b>

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**21. Analysis of changes in net debt**

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	217	69	286
	<u>217</u>	<u>69</u>	<u>286</u>

**22. Pension commitments**

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

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

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

**Teachers' Pension Scheme**

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

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



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**22. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £113,000 (2019 - £78,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £53,000 (2019 - £49,000), of which employer's contributions totalled £39,000 (2019 - £36,000) and employees' contributions totalled £ 14,000 (2019 - £13,000). The agreed contribution rates for future years are 17.3% for employers and 5.5 to 12.5% for employees.

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

**Principal actuarial assumptions**

	2020	2019
	%	%
Rate of increase in salaries	3.70	3.50
Rate of increase for pensions in payment/inflation	2.20	2.00
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.20	2.00
Commutation of pensions to lump sums	75.00	75.00

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**22. Pension commitments (continued)**

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.8	21.9
Females	25.0	25.1
<i>Retiring in 20 years</i>		
Males	23.5	23.6
Females	26.8	26.9

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	(47)	(37)
Discount rate -0.1%	49	38
Mortality assumption - 1 year increase	(55)	(41)
Mortality assumption - 1 year decrease	56	42
CPI rate +0.1%	39	20
CPI rate -0.1%	(39)	(19)

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

	2020 £000	2019 £000
Equities	444	507
Government bonds	20	32
Corporate bonds	190	88
Property	76	67
Cash and other liquid assets	16	16
Other	84	64
<b>Total market value of assets</b>	<b>830</b>	<b>774</b>

The actual return on scheme assets was £4,000 (2019 - £54,000).

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**22. Pension commitments (continued)**

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

	2020 £000	2019 £000
Current service cost	(99)	(68)
Past service cost	-	(32)
Interest income	15	20
Interest cost	(24)	(25)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(108)</b>	<b>(105)</b>

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

	2020 £000	2019 £000
<b>Opening defined benefit obligation</b>	<b>1,251</b>	<b>888</b>
Current service cost	99	68
Past service cost	-	32
Interest cost	24	25
Employee contributions	14	13
Actuarial losses	180	227
Benefits paid	(1)	(2)
<b>Closing defined benefit obligation</b>	<b>1,567</b>	<b>1,251</b>

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

	2020 £000	2019 £000
<b>Opening fair value of scheme assets</b>	<b>774</b>	<b>673</b>
Interest income	15	20
Actuarial (losses)/gains	(11)	34
Employer contributions	39	36
Employee contributions	14	13
Benefits paid	(1)	(2)
<b>Closing fair value of scheme assets</b>	<b>830</b>	<b>774</b>



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**23. Operating lease commitments**

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	17	16
Later than 1 year and not later than 5 years	2	17
	<u>19</u>	<u>33</u>

**24. Related party transactions**

Owing to the nature of the academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions. No related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in note 11