

(A Company Limited by Guarantee)

Company Registration Number:
09098446

(England and Wales)



Annual Report and Financial Statements

For the period ended 31 August 2015

**Holy Trinity CE Academy
(South Shields)
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements period
ended 31 August 2015**

Company Registration Number: 09098446
(England and Wales)

Holy Trinity Church of England Academy (South Shields) Trust

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Holy Trinity Church of England Academy (South Shields) Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

J Mulley *
D Pickersgill *
T Murphy *
A Gedling *
K Allen
T Pigott
Reverend M Thompson
B Clayton
L Davison *
D Tough
R Hall

* members of the Finance, Buildings and Audit Committee

Senior Management Team:

T Murphy (Head Teacher)
K Johnson (Deputy Head Teacher)
R Scott (Lead Teacher)

Principal and Registered Office

Brockley Avenue
South Shields
Tyne and Wear
NE34 0TS

Company Registration Number

09098446 (England and Wales)

Holy Trinity Church of England Academy (South Shields) Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditor

RSM UK Audit LLP
1 St James' Gate
Newcastle Upon Tyne
NE1 4AD

Bankers

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

Solicitors

Samuel Phillips
Gibb Chambers,
52-54 Westgate Rd,
Newcastle upon Tyne
NE1 5XU

Trustees' Report

REPORT OF THE
GOVERNING BODY
31 AUGUST 2015

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT

The Governors present their annual report together with the financial statements and auditor's report of the academy for the period ended 31 August 2015. The annual report serves the purposes of both a trustees' 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 245 in the school census on 15th October 2015. The Academy provides an education for pupils of all abilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on 1 August 2014 and is a company limited by guarantee (registration no. 09098446) and an exempt charity. The company commenced operation as an academy on 1 August 2014. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The articles of association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

The governors act as the trustees for the charitable activities of Holy Trinity CE Academy (South Shields) Trust and as directors of the charitable company for the purposes of Company law. The charitable company is known as Holy Trinity CE Academy (South Shields).

Details of the governors who served throughout the period between 1 August 2014 and 31 August 2015, except as noted, are included in the Reference and Administrative Details.

Members' liability

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

Governors' Indemnities

Every Governor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Method of Recruitment and Appointment or Election of Governors

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

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

The members shall appoint a minimum of 8 Directors 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

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT (CONTINUED)

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

Policies and Procedures Adopted for the Induction and Training of Governors

A programme of Governor CPD runs throughout the year .

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

- PREVENT training
- 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 and 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 trustees.

The SLT consists of the Headteacher, the Deputy Headteacher and the Key Stage Two Lead teacher. The SLT lead and manage the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher and the Governors are responsible for authorisation of spending with agreed budgets as stated in the Scheme of Delegation and Finance Handbook and the appointment of staff.

The Academy School Business Manager is responsible for the management of the financial systems, sourcing additional funds, ensuring efficient and effective use of resources. The Academy Business Manager is responsible for authorisation of spending up to agreed limits as stated in the Scheme of Delegation and Finance Handbook. The Academy Business Manager is responsible for the efficient operation of the school office.

The Headteacher is the Accounting Officer for the Academy.

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT (CONTINUED)

Connected Organisations and Related Party Relationships

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

For the period ending 31 August 2015 there are no connected organisations.

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

Risk Management

The charity trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

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

Ethos Statement:

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

Aims of the school:

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

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT (CONTINUED)

- To help children grow in their own faith, and through that, to come to respect and understand other faiths and other ways of life;
- To help children to form the values that will help them make moral decisions and choices throughout their lives;
- To nurture and develop those skills and attitudes necessary for children to be able to take responsibility for their own learning and behaviour;
- To nurture links with parents/carers, the Church and the local community.

Objectives, Strategies and Activities

Educational Objectives and Strategies for 2014/15:

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

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

- To raise standards in writing.
- To increase further the amount of outstanding teaching in school.
- To continue to develop provision in Early Years
- To raise attainment in Spelling, Punctuation and Grammar
- To develop an accurate assessment system which will eventually replace levels.
- To improve the teaching and learning of Science throughout the school.

PUBLIC BENEFIT

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities.

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT (CONTINUED)

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Objectives Achieved 2014/2015

1. Writing

The gap has narrowed between girls and boys in writing this year. At the end of Key Stage 2 82% of boys achieved level 4+ compared to 89% girls. At level 5 + there was 1% difference. (27% and 28%). However the picture is not as positive at the end of Key Stage 1 at level 2B+. However more boys than girls achieved the higher level at the end of the key stage.

2. Outstanding teaching

Due to the high number of staff leaving the school this will continue to be an area for development with the new staff who have been appointed. The two teachers who have remained with Holy Trinity have all had observations which were at least good. The new staff who have been appointed have all been observed teaching to at least a good standard however this will need to be developed. Mr Johnson Deputy Headteacher is leading the training and development of the new staff only one of whom is an NQT.

3. Early Years Provision

Work continues in this area. This year's data showed that the children are achieving in line with National Expectations. However the learning environment still needs to be more focused and structured in order for the children to achieve the challenging levels expected of them at the end of Year One. The leadership of Early Years is a matter for the Governors to consider in the new financial year.

4. Spelling, Punctuation and Grammar

2015

L4+ 83%

L4+ boys = 91% (+48%)

L4+ girls = 78%

L5 girls = 67%

L5 boys = 55%

Significant improvement has been made. However there are still gender issues in that boys do not achieve as well as girls at the higher level.

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT (CONTINUED)

5. Accurate Assessment which will replace levels.

The Academy is now still working with two systems. The old school system which used levels is still in place. The Academy has also purchased Target Tracker. This area is led and managed by the Deputy Headteacher. This will continue to be a focus in the new academic year.

6. Science Curriculum Development

The work started in this area by the previous subject leader has now been allocated to part time members of staff who will continue with the action plan:

- Regular assessments of Science to be carried out by teaching staff to inform teacher assessments on a half termly basis, and to identify and eradicate misconceptions rapidly.
- Begin PSQM self-evaluation and collect relevant evidence to unite staff towards a shared goal. This will hopefully ensure consistently good standards across the school.
- Relevant CPD for all staff to be arranged for next academic year especially with the teaching of scientific investigations.

Key Performance Indicators

- The Academy is oversubscribed for places in Reception. The Nursery provision is now at capacity.
- Attendance is rising, especially after the involvement of the Local Authority Attendance Officer whose services are secured through a Service Level Agreement.

	2013 (2017 cohort)		2014 (2018 cohort)		2015 (2019 cohort)	
	HT	National	HT	National	HT	National
Mathematics Level 2B+	79%	78%	80%	80%	83%	82%
Mathematics Level 3	25%	23%	27%	24%	27%	26%
Reading Level 2B+	71%	79%	73%	81%	80%	82%
Reading Level 3	25%	29%	20%	31%	30%	32%
Writing Level 2B+	67%	67%	70%	70%	77%	72%
Writing Level 3	8%	15%	10%	16%	17%	18%
Year 1 Phonics Screening Check						
Year 1 Phonics Check	(2018 cohort) 73%	(2018 cohort) 69%	(2019 cohort) 83%	(2019 cohort) 74%	(2020 cohort) 86%	(2020 cohort)

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT (CONTINUED)

	2013		2014		2015	
	HT	National	HT	National	HT	National
Mathematics Level 4+	85%	85%	81%	86%	83%	87%
Mathematics Level 5+	26%	41%	46%	42%	41%	41%
Mathematics Level 6	0%	7%	12%	9%	0%	
Reading Level 4+	81%	86%	85%	89%	93%	89%
Reading Level 5+	37%	45%	46%	49%	41%	48%
Reading Level 6	0%	0%	0%	0%	0%	
Writing Level 4+	78%	83%	77%	85%	86%	87%
Writing Level 5+	11%	30%	4%	33%	28%	36%
Writing Level 6	0%	0%	0%	0%	0%	
Spelling, Punctuation and Grammar Level 4+	78%	73%	62%	76%	83%	80%
Spelling, Punctuation and Grammar Level 5	59%	48%	54%	52%	62%	55%
Level 4+ Reading, Writing and Mathematics	67%	75%	77%	79%	79%	80%
Level 5+ Reading, Writing and Mathematics	7%	21%	4%	24%	17%	24%
2+ Levels progress Mathematics	100%	88%	96%	89%	93%	90%
3+ Levels progress Mathematics	58%	31%	48%	35%	37%	34%
4+ Levels progress Mathematics	0%		12%		4%	
2+ Levels progress Reading	96%	88%	96%	91%	100%	91%
3+ Levels progress Reading	58%	30%	64%	35%	52%	33%
4+ Levels progress Reading	8%		4%		11%	
2+ Levels progress Writing	100%	92%	92%	93%	100%	94%
3+ Levels progress Writing	73%	31%	44%	33%	52%	36%
4+ Levels progress Writing	19%		0%		0%	

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT (CONTINUED)

End of KS2 results consistently indicate that by the time pupils leave Holy Trinity CE Academy (South Shields) they have made good progress.

- To ensure that standards are continually raised the Academy operates a programme of internal and external reviews of curriculum areas and works closely with external providers to monitor the impact of teaching and learning.

GOING CONCERN

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

Financial report for the period

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, most of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2015, total expenditure of the Academy was met by recurrent grant funding from the EFA together with other incoming resources.

At 31 August 2015 the net book value of fixed assets was (note 11 Accounts) £1,649,557. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The governing body of the Academy has adopted the following policies relating to Finance and Governance during 2014-2015:

- Scheme of Delegation
- Academy Finance Handbook
- Anti-Bribery Policy
- Reserves Policy
- Investment Policy
- Gifts and Hospitality Policy
- Treasury Management and Reserves Policy
- Assets Policy
- Credit Card Policy
- Staff Expenses Policy

Financial and risk management objectives and policies

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 principle risks and uncertainties are centred 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.

Risk Management

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.

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT (CONTINUED)

Reserves

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

The governing body will try to match income with expenditure in the current period and will carry forward reserves that it considers necessary for future periods of expenditure. It was agreed by the Governing Body that during the first year of business the Governors would not invest any surplus funds until one year of business trading had taken place. A decision on reserves would be taken at the start of the new academic year. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The reserves policy will be reviewed on an annual basis.

Investment policy

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

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

Principal Risks and Uncertainties

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.

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT (CONTINUED)

Key Risks moving forward:-

Financial - the Academy has considerable reliance on continued Government funding through the EFA. As with all schools, the majority of incoming monetary resources are Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Leadership and Management - Strategies to develop leadership are to be implemented in the new Academic year with the planned appointment of an Assistant Headteacher with responsibility for Early Years. The development of the leadership capacity within the Academy will ensure that the outcomes for pupils and school improvement remain high.

Planned areas for improvement throughout the Academy in the next academic year

To raise standards across the Academy

- To raise the standards in Writing for disadvantaged pupils in current Year 3 and Year 6.
- To narrow the gap between girls and boys who are achieving above age related expectations at the end of key stage 1
- To increase the %age of girls who achieve the higher level for Reading at the end of Key Stage 1
- Close the gap between girls and boys achieving age related expectations in Phonics at the end of Year 1.
- The floor target for Reading/Writing and Mathematics at the end of Key Stage 2 (85%) to be achieved.

To Improve the Quality of Teaching and Learning Throughout the Academy

To Continue to develop provision in the Early Years Foundation Stage

To develop a new system for assessment without levels in Religious Education

To develop the role of Subject and Middle Leaders within the Academy

To achieve Kidsafe designation for the academy

Holy Trinity Church of England Academy (South Shields) Trust

TRUSTEES REPORT (CONTINUED)

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held on behalf of others.


AUDITOR

The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

Information provided to auditors

The Governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 15 December 2015 and signed on its behalf by:


.....
Mrs Jean Mulley Chair

Holy Trinity Church of England Academy (South Shields) Trust

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 7 times during the period. Attendance during the period at meetings of the Governing Body was as follows:-

Governor	Meetings Attended	Out of a Possible
J Mulley * Chair	6	7
D Pickersgill * Vice Chair	6	7
T Murphy * Headteacher	7	7
A Gedling * Link Governor Finance	7	7
K Allen	5	7
T Pigott	4	7
Reverend M Thompson	5	7
B Clayton	4	7
L Davison *	1	7
D Tough	7	7
R Hall	5	7
M T Mayne (resigned 09.03.2015)	3	5

* Members of the Finance, Audit and Buildings Committee

During the period ending 31 August 2015 1 member resigned her position. An election was held during the Summer Term and 1 new Parent Governor was appointed in June 2015.

The Governing Body is aware that its role has changed since academy conversion. There is now an intense focus on the strategic abilities of academy Governors.

Holy Trinity Church of England Academy (South Shields) Trust

GOVERNANCE STATEMENT (CONTINUED)

The Academy regularly undertakes reviews of strategic leadership and management, as well as teaching and overall performance. During the reporting period concerned, external evaluations were carried out by school improvement partners which included interviews with members of the Governing Body and assessed the impact that it has on the daily running of the Academy. A self-evaluation review of the Governing Body is planned for the Autumn Term 2016.

The **Finance and Premises Committee** is a sub-committee of the main Governing Body. Its purpose is to ensure the efficient and effective use of resources whilst seeking ways to ensure the fabric of the building remains fit for purpose and provides a productive learning environment. A particular issue overcome during the 14/15 reporting period was the development Information, Communication Technology. Attendance at meetings in the period was as follows:-

Governor	Meetings Attended	Out of a Possible
J Mulley Chair	3	4
D Pickersgill Vice Chair	3	4
T Murphy Headteacher	4	4
A Gedling Link Governor Finance	4	4
L Davison	2	2

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The Finance, Building and Audit committee monitor expenditure very carefully.
- Staffing need are constantly under review. This academic year has seen the removal of the need for supply teachers due to the release of a member of the Senior Leadership team, who covers any areas of need and also supports small group work in targeted areas.
- Staff undertake relevant professional development in specific areas needed to meet the needs of the children and to keep well informed of current Government priorities e.g PREVENT.
- Attendance has improved through entering into an extra service level agreement with Children and Young People's Services. This has improved attendance and attainment.
- The Academy is a National Support School and the Headteacher a National Leader of Education this has enabled the school to support other schools to provide help with teaching and learning, and as a result raising standards.
- School has purchased CPG study books for all year groups, and also new software to support the reaching and learning of GPS. The school has also become part of a GPS pilot for year 2 children. At the end of Key Stage 2 there was an increase of 21% in the number of children achieving age related expectation.
- The percentage of children achieving floor target has increased each year for the past three years, 67% (2013), 77% (2014) and 79% (2015).

Holy Trinity Church of England Academy (South Shields) Trust

GOVERNANCE STATEMENT (CONTINUED)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holy Trinity CE Academy (South Shields) for the period ended 31 August 2015 and up to the date of approval of the annual report and financial statements

Capacity to Handle Risk

The Governing body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing body is of the view that there is a formal ongoing process for identifying, evaluation and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing body.

The Risk and Control Framework

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

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

The governing body has considered the need for a specific internal audit function and has appointed RSM as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a timetabled basis, the internal auditor reports to the Governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. During the period 1 August 2014 and 31 August 2015 two internal audit reviews were carried out in addition to the year-end annual external audit. No material control issues arose as a result of the internal auditor's work however the Academy will aim to adopt recommendations of best practice over the next financial period.

Review of Effectiveness

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

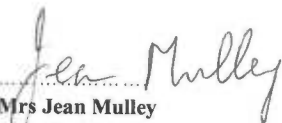
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

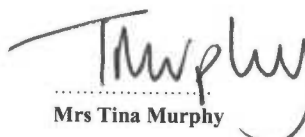
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to ensure continuous improvement of the system is in place.

Holy Trinity Church of England Academy (South Shields) Trust

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Governing body on 15 December 2015 and signed on its behalf by:


.....
Mrs Jean Mulley
Chair


.....
Mrs Tina Murphy
Accounting Officer

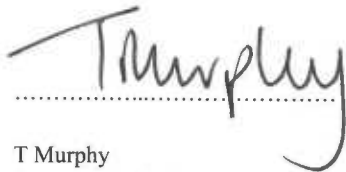
Holy Trinity Church of England Academy (South Shields) Trust

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregular, 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 trustees and EFA.



T Murphy
Accounting Officer

15 December 2015

Holy Trinity Church of England Academy (South Shields) Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as governors of the Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

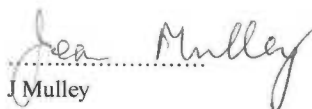
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The Trustees 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 Trustees 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 the EFA/DfE have been applied for the purposes intended.

The Trustees 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 Trustees on 15 December 2015 and signed on its behalf by:


J Mulley

Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Holy Trinity Church of England Academy (South Shields) Trust
Period ending on 31 August 2015

We have audited the financial statements of Holy Trinity Church of England Academy (South Shields) Trust for the period ended 31 August 2015 on pages 23-42. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER REQUIREMENT OF THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

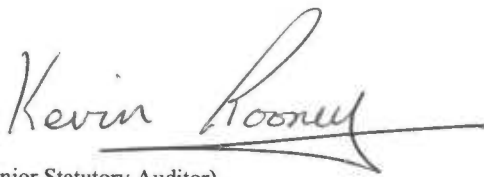
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
Holy Trinity Church of England Academy (South Shields) Trust

Period ending on 31 August 2015

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the charity has not kept adequate accounting records, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



KEVIN ROONEY (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

17 December 2015

Holy Trinity Church of England Academy (South Shields) Trust

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

For the period ended 31 August 2015

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	1	2,034	-	6,412	8,446
Activities for generating funds	2	28,595	-	-	28,595
Transfer from local authority on conversion	25	312,427	(123,000)	1,681,428	1,870,855
Investment income	3	304	-	-	304
Incoming resources from charitable activities:					
Academy Trust's educational operations	4	-	1,348,432	-	1,348,432
TOTAL INCOMING RESOURCES		343,360	1,225,432	1,687,840	3,256,632
RESOURCES EXPENDED					
Cost of generating funds:					
Costs of generating voluntary income	5	-	-	-	-
Fund-raising trading	5	18,642	-	-	18,642
Charitable activities:					
Academy Trust's educational operations	5, 6	13,309	1,293,842	65,623	1,372,774
Governance costs	5, 7	-	21,432	-	21,432
TOTAL RESOURCES EXPENDED		31,951	1,315,274	65,623	1,412,848
NET INCOMING/ (OUTGOING)					
RESOURCES BEFORE TRANSFERS		311,409	(89,842)	1,622,217	1,843,784
Gross transfers between funds	14	(7,182)	(20,158)	27,340	-
NET INCOME/ (EXPENDITURE) FOR THE YEAR		304,227	(110,000)	1,649,557	1,843,784
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial (losses) on defined benefit pension schemes	22	-	(43,000)	-	(43,000)
NET MOVEMENT IN FUNDS		304,227	(153,000)	1,649,557	1,800,784
RECONCILIATION OF FUNDS					
TOTAL FUNDS CARRIED FORWARD	15	304,227	(153,000)	1,649,557	1,800,784

All of the Academy Trust's activities derive from continuing operations during the the financial period.

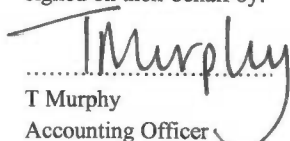
Holy Trinity Church of England Academy (South Shields) Trust

BALANCE SHEET

As at 31 August 2015

	Notes	2015 £	2015 £
FIXED ASSETS			
Tangible assets	11		1,649,557
CURRENT ASSETS			
Debtors	12	47,754	
Cash at bank and in hand		345,437	
		<u>393,191</u>	
CREDITORS: Amounts falling due within one year	13	<u>(88,964)</u>	
NET CURRENT ASSETS			<u>304,227</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,953,784</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>1,953,784</u>
Pension Scheme Liability	22		<u>(153,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u><u>1,800,784</u></u>
THE FUNDS OF THE ACADEMY TRUST:			
RESTRICTED FUNDS			
Fixed asset fund	14		1,649,557
General fund	14		-
			<u>1,649,557</u>
Restricted funds excluding pension reserve			
Pension reserve	14		<u>(153,000)</u>
TOTAL RESTRICTED FUNDS			<u><u>1,496,557</u></u>
TOTAL UNRESTRICTED INCOME FUNDS	14		<u>304,227</u>
TOTAL FUNDS			<u><u>1,800,784</u></u>

The financial statements on pages 23 to 42 were approved by the Trustees and authorised for issue on 15 December 2015 and are signed on their behalf by:



 T Murphy
 Accounting Officer

Holy Trinity Church of England Academy (South Shields) Trust

CASH FLOW STATEMENT

For the period ended 31 August 2015

	<i>Notes</i>	2015 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	60,046
Returns on investments and servicing of financing	19	304
Cash Transferred on conversion to academy trust	25	312,427
Capital expenditure	20	(27,340)
INCREASE IN CASH IN THE YEAR	21	<u>345,437</u>
RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS		
NET FUNDS AT 31 AUGUST	21	<u>345,437</u>

Holy Trinity Church of England Academy (South Shields) Trust

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice: 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies: Accounts Direction 2014 to 2015 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

CONVERSION TO AN ACADEMY TRUST

The conversion from state maintained school to the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration, and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Holy Trinity CE VA school to the Trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with policies set out for Holy Trinity Church of England Academy (South Shields) Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The school buildings were transferred from South Tyneside Council to the Trust under a 125 year lease and have therefore been recognised at fair value as an asset on conversion. The land values are considered to be immaterial to the results for the period and have not therefore been recognised on that basis.

GOING CONCERN

The Trustees assess whether the use of going concern basis of preparing the financial statements 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 charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of approval of the financial statements.

INCOMING RESOURCES

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

GRANTS RECEIVABLE

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

DONATIONS

Donations are recognised on a receivable basis where there is an entitlement, certainty of receipt and the amount can be reliably measured.

OTHER INCOME

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

Holy Trinity Church of England Academy (South Shields) Trust

ACCOUNTING POLICIES (CONTINUED)

INTEREST RECEIVABLE

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

FUND ACCOUNTING

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and the Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and the Department for Education, where the asset acquired or created is held for a specific purpose.

RESOURCES EXPENDED

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

TANGIBLE FIXED ASSETS

Tangible fixed assets costing £1,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Leasehold buildings	Straight line over 50 years
Fixtures & Fittings	Straight line over 7 years
Computer equipment	Straight line 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.

Holy Trinity Church of England Academy (South Shields) Trust

ACCOUNTING POLICIES (CONTINUED)

TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

LEASED ASSETS

Rentals under operating leases are charged on a straight-line basis over the lease term.

PENSION BENEFITS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

1 VOLUNTARY INCOME

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £
DfE/EFA capital grants	-	-	6,412	6,412
Other donations	2,034	-	-	2,034
	<u>2,034</u>	<u>-</u>	<u>6,412</u>	<u>8,446</u>

2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted general funds £	Total 2015 £
School Fund income	2,211	-	2,211
Income from recharge of services	6,000	-	6,000
Other income	20,384	-	20,384
	<u>28,595</u>	<u>-</u>	<u>28,595</u>

3 INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Total 2015 £
Short term deposits	304	-	304

4 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £
DfE/EFA REVENUE GRANTS				
General annual grant (GAG)	-	1,049,693	-	1,049,693
Other DfE/EFA grants	-	181,446	-	181,446
	<u>-</u>	<u>1,231,139</u>	<u>-</u>	<u>1,231,139</u>
OTHER GOVERNMENT GRANTS				
Local Authority grants	-	92,293	-	92,293
Start up grants	-	25,000	-	25,000
	<u>-</u>	<u>117,293</u>	<u>-</u>	<u>117,293</u>
OTHER ACADEMY INCOME				
Trip Income	-	-	-	-
Uniform Income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,348,432</u>	<u>-</u>	<u>1,348,432</u>

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

5 RESOURCES EXPENDED

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2015 £
Costs of generating voluntary income	-	-	-	-
Fund-raising trading	-	-	18,642	18,642
Academy's education operations				
Direct costs	873,602	65,623	67,307	1,006,532
Allocated support costs	135,739	108,756	121,747	366,242
	<u>1,009,341</u>	<u>174,379</u>	<u>207,696</u>	<u>1,391,416</u>
Governance costs	-	-	21,432	21,432
	<u>1,009,341</u>	<u>174,379</u>	<u>229,128</u>	<u>1,412,848</u>
Net incoming/ (outgoing) resources for the year are stated after charging:				2015 £
Operating leases:				
- plant & machinery				7,364
Fees payable to RSM UK Audit LLP and its associates for:				
- audit				4,500
- other services				5,750

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

6 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	2015 £
DIRECT COSTS	
Teaching and educational support staff	873,602
Depreciation	65,623
Technology costs	3,378
Educational supplies	53,509
Staff Development	6,172
Other direct costs	4,248
	<u>1,006,532</u>
ALLOCATED SUPPORT COSTS	
Support staff costs	135,739
Technology costs	1,389
Maintenance of premises and equipment	31,851
Cleaning	28,849
Rent and rates	10,074
Energy costs	22,842
Insurance	20,188
Security and transport	6,760
Catering	99,871
Bank interest and charges	64
Other support costs	9,615
Pension finance cost	(1,000)
	<u>366,242</u>
	<u>1,372,774</u>

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

7 GOVERNANCE COSTS

	2015 £
Legal and professional fees	5,510
Auditor's remuneration:	
Audit of financial statements	4,500
Other services	5,750
Support costs	5,672
	<u>21,432</u>

8 STAFF COSTS

	2015 £
Staff costs during the period were:	
Wages and salaries	729,245
Social security costs	48,517
Pension costs	113,698
	<u>891,460</u>
Supply staff costs	117,881
	<u>1,009,341</u>

The average number of persons (including senior management team) employed by the Academy Trust during the period was as follows:

	2015 FTE	2015 No.
Teachers	12	13
Administration and support	21	21
Management	2	2
	<u>35</u>	<u>36</u>

The number of employees whose emoluments, excluding pension contributions, for the 13 month period, fell within the following bands was:

	2015 No.
£60,001 - £70,000	1
£80,001 - £90,000	1

2 of the above employees participated in the Teachers' Pension Scheme. This is a defined benefit scheme.

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

9 TRUSTEES' REMUNERATION AND EXPENSES

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff trustees under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

T Murphy, the principal received remuneration of £82,028 for the 13 month period and is accruing retirement benefits under the Teachers' Pension Scheme. Contributions paid in the period amounted to £10,715. T Murphy was reimbursed expenses totalling £574 in the period.

D Tough (staff trustee) received remuneration of £31,317 for the 13 month period. The staff trustee is accruing retirement benefits under the Local Government Pension Scheme and contributions paid in the period amounted to £7,391.

R Hall (staff trustee) received remuneration of £35,017 for the 13 month period. The staff trustee is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the period amounted to £4,541.

Related party transactions involving the Trustees are set out in note 23.

10 TRUSTEES' AND OFFICERS INSURANCE

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees 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 trustees and officers indemnity element from the overall cost of the RPA scheme.

The cost of this insurance is included in the total insurance cost.

11 TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Fixtures and Fittings £	Computer equipment £	Total £
COST				
Transfer on conversion	1,634,000	30,414	17,014	1,681,428
Additions	-	-	33,752	33,752
31 August 2015	1,634,000	30,414	50,766	1,715,180
DEPRECIATION				
Charge for the year	35,403	12,766	17,454	65,623
31 August 2015	35,403	12,766	17,454	65,623
NET BOOK VALUE				
31 August 2015	1,598,597	17,648	33,312	1,649,557

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

12	DEBTORS	2015 £
	Trade debtors	1,292
	Prepayments and accrued income	12,066
	VAT recoverable	34,265
	Other debtors	131
		<hr/> 47,754 <hr/>
13	CREDITORS: Amounts falling due within one year	2015 £
	Trade creditors	40,075
	Other taxation and social security	14,282
	Other creditors	15,249
	Accruals and deferred income	19,358
		<hr/> 88,964 <hr/>

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

14 FUNDS

	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2015 £
RESTRICTED GENERAL FUNDS				
General Annual Grant (GAG)	1,049,693	(1,029,535)	(20,158)	-
Pension reserve	(123,000)	13,000	(43,000)	(153,000)
	<u>926,693</u>	<u>(1,016,535)</u>	<u>(63,158)</u>	<u>(153,000)</u>
Local Authority Grants	92,293	(92,293)	-	-
Other DfE/EFA grants	181,446	(181,446)	-	-
Start up grant	25,000	(25,000)	-	-
	<u>1,225,432</u>	<u>(1,315,274)</u>	<u>(63,158)</u>	<u>(153,000)</u>
RESTRICTED FIXED ASSET FUNDS				
DfE/EFA capital grants	6,412	-	-	6,412
Assets transferred from Local Authority	1,681,428	(65,623)	-	1,615,805
Assets financed by unrestricted funds	-	-	27,340	27,340
	<u>1,687,840</u>	<u>(65,623)</u>	<u>27,340</u>	<u>1,649,557</u>
TOTAL RESTRICTED FUNDS	<u>2,913,272</u>	<u>(1,380,897)</u>	<u>(35,818)</u>	<u>1,496,557</u>
UNRESTRICTED FUNDS				
Unrestricted funds	343,360	(31,951)	(7,182)	304,227
TOTAL UNRESTRICTED FUNDS	<u>343,360</u>	<u>(31,951)</u>	<u>(7,182)</u>	<u>304,227</u>
TOTAL FUNDS	<u>3,256,632</u>	<u>(1,412,848)</u>	<u>(43,000)</u>	<u>1,800,784</u>

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

General Annual Grant - General Annual Grant must be used for the normal running of the Academy. The funding agreement does not include a limit on the GAG available to carry forward.

Pension reserve - The costs and income associated with the defined benefit pension schemes have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS, hence the pension liability has been aligned with these funds.

Local Authority Grants - these include pupil premium, SEN funding and Nursery funding.

Other DfE/EFA Grants - these include pupil premium, insurance funding and Infant FSM.

EFA Capital Grant - The income relates to capital funding which has been received from the EFA for utilisation on building improvements and refurbishments.

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

14 FUNDS (CONTINUED)

Unrestricted Funds - Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

Assets transferred from Local Authority - The balance represents fixed assets transferred from the Local Authority on conversion. Depreciation is charged to the fund over the life of the related assets.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £
Tangible fixed assets	-	-	1,649,557	1,649,557
Current assets	304,227	88,964	-	393,191
Current liabilities	-	(88,964)	-	(88,964)
Pension scheme liability	-	(153,000)	-	(153,000)
TOTAL NET ASSETS	304,227	(153,000)	1,649,557	1,800,784

16 FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £
Other:	
Expiring within one year	2,957
Expiring within two and five years inclusive	3,524
	6,481

17 MEMBERS' LIABILITY

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

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

18	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2015 £
	Net income	1,843,784
	Depreciation (note 11)	65,623
	Capital grants from DfE/EFA	(6,412)
	Transfer on conversion (note 25)	(1,870,855)
	Interest receivable	(304)
	FRS 17 pension cost less contributions payable (note 22)	(12,000)
	FRS 17 pension finance costs (note 22)	(1,000)
	Increase in debtors	(47,754)
	Increase in creditors	88,964
	NET CASH INFLOW FROM OPERATING ACTIVITIES	60,046
19	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2015 £
	Interest received	304
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	304
20	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2015 £
	Purchase of tangible fixed assets	(33,752)
	Capital grants from DfE/EFA	6,412
	NET CASH (OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(27,340)
21	ANALYSIS OF CHANGES IN NET FUNDS	At 31 August 2015 £
	Cash at bank and in hand	345,437
		345,437

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

22 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust'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 defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions were payable to the schemes as follows at 31 August and are included within other creditors:

	2015 £
Teachers' Pension Scheme	8,046
Local Government Pension Scheme	6,195
	<hr/>
	14,241

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed nominal rate of return is 5.06%
- Rate of real earnings growth is assumed to be 2.75%
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings

During the year the employer contribution rate was 14.1%

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at 31 March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £60,698.

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

22 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Teachers' Pension Scheme (continued)

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the period ended 31 August was £81,000, of which employer's contributions totalled £65,000 and employees' contribution totalled £16,000.

<u>Principal actuarial assumptions</u>	2015	2014
	%	%
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment	2.1	2.1
Discount rate	3.8	4.1
Pensions accounts revaluation rate	2.1	2.1

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

	2015
	Years
Retiring today:	
Males	23.1
Females	24.7
Retiring in 20 years:	
Males	25.1
Females	27.0

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

22 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rate of return were:

	Fair value at 31 August 2015 £'000	Fair value at 1 August 2014 £'000
Equities	213	152
Gilts	12	8
Other bonds	37	26
Property	30	21
Cash	10	6
Alternative assets	20	14
TOTAL MARKET VALUE OF ASSETS	322	226
Present value of scheme liabilities		
- Funded	(475)	(349)
(DEFICIT)	(153)	(123)

The actual return on the scheme assets was £15,000

Amounts recognised in the statement of financial activities

	2015 £'000
Current service cost (net of employee contributions)	53
Total operating charge	53

Analysis of pension finance (income)/ costs

Expected return on pension scheme assets	(18)
Interest on pension liabilities	17
Pension finance (income) /costs	(1)

The actuarial gains and losses for the current period are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS17 is £43,000.

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

22 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

Movements in the present value of defined benefit obligations were as follows:	2015 £'000
Transfer on conversion	349
Current service cost	53
Interest cost	17
Employee contributions	16
Actuarial loss	40
At 31 August	475

Movements in the fair value of Academy Trust's share of scheme assets:	2015 £'000
Transfer on conversion	226
Expected return on assets	18
Actuarial (loss)	(3)
Employer contributions	65
Employee contributions	16
At 31 August	322

The estimated value of employer contributions for the year ended 31 August 2016 is £62,000

The history of experience adjustments is as follows:

	2015 £'000
Present value of defined benefit obligations	475
Fair value of share of scheme assets	(322)
Deficit in the scheme	153
Experience adjustments on share of scheme assets Amount £'000	-0.9% (3)
Experience adjustments on scheme liabilities: Amount £'000	0.00% -

Holy Trinity Church of England Academy (South Shields) Trust

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2015

23 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the year.

24 ULTIMATE CONTROLLING PARTY

The Academy is a charitable company limited by guarantee, has no share capital and is controlled by its members.

25 CONVERSION TO AN ACADEMY TRUST

The following Schools converted to Academy Trust status under the Academies Act 2010 on the following dates:

Predecessor School	Conversion Date	Local Authority
Holy Trinity CE VA Primary School	1 August 2014	South Tyneside Council

All the operations and assets and liabilities were transferred to Holy Trinity Church of England Academy (South Shields) Trust from South Tyneside Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/ loss in the Statement of Financial Activities as transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted Funds £	Restricted General Funds £	Restricted fixed asset funds £	TOTAL 2015 £
Fixed Assets	-	-	1,681,428	1,681,428
Budget Surplus on LA Funds	292,109	-	-	292,109
Budget Surplus on school Fund	20,318	-	-	20,318
LGPS pension deficit	-	(123,000)	-	(123,000)
	<u>312,427</u>	<u>(123,000)</u>	<u>1,681,428</u>	<u>1,870,855</u>

The above net assets include £312,427 that was paid over in cash.

All leasehold properties transferred from the Local Authority were transferred on 125 year lease agreements.

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

In accordance with the terms of our engagement letter dated 22 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2014 to 2015, 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 period 1 August 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Holy Trinity Church of England Academy (South Shields) Trust and the EFA in accordance with the terms of our engagement letter dated 22 September 2015. Our work has been undertaken so that we might state to the Holy Trinity Church of England Academy (South Shields) Trust and the EFA 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 the Holy Trinity Church of England Academy (South Shields) Trust and the EFA, 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 1 August 2011 and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 period 1 August 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies: Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP

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17 December 2015