

Company Registration No. 08449062 (England and Wales)

TRINITY ACADEMY NEWCASTLE
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

TRINITY ACADEMY NEWCASTLE

REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Carter
K Meikle
J Suter
S Jeavons
D Edmondson (appointed 11 December 2018)

Trustees

S Elliott (Vice chair)
W Curley (Accounting Officer)
S Willmott
Z Edmonds
L Briggs
M A Curtis
N V Greenley
P Carter (Chair)
I Peel (Appointed 11 December 2018)
D Edmondson (Appointed 11 December 2018)
S Hall (Appointed 11 December 2018)
K Chachra (Appointed 5 February 2019 and resigned 1 July 2019)

Senior management team

- CEO	W Curley
- Acting Headteacher	P Tully
- Head of School (Business)	J Renwick
- Head of School (Pastoral)	M Flint
- Head of School (Teaching & Learning & Post 16)	L McNally

Company registration number

08449062 (England and Wales)

Registered office

Condercum Road
Newcastle upon Tyne
NE4 8XJ

Academies operated

Trinity Academy Newcastle	Newcastle upon Tyne
Trinity Solutions Academy	Newcastle upon Tyne
Trinity Post 16 Solutions (Limited company)	Newcastle upon Tyne
Trinity Newbridge Academy	Sunderland

Location

Principal

M Flint
L McNally
L McNally
P Tully

Independent auditor

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

Bankers

Lloyds Bank PLC
Grey Street
Newcastle upon Tyne
NE99 1SL

TRINITY ACADEMY NEWCASTLE

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates three academies and a private limited company.

- Trinity Academy Newcastle – Special Academy – Trinity Academy Newcastle educates learners aged 7-16, who have a Statement of Special Educational Needs or Education, Health and Care Plan for Social, Emotional and Mental Health (SEMH). Serving a regional wide catchment area. The Academy was commissioned 160 higher needs places in 2018/19 and had a roll of 172 learners in the school census in May 2019.
- Trinity Solutions Academy – Post 16 Mainstream Academy provides vocational study programme for learners aged 16-19 serving a regional wide catchment area. The Academy had a learner allocation of 77 which includes 10 higher needs commissioned places in 2018/19 and had a roll of 83 learners of the ILR return (R013 Return). Although the Academy was not at full capacity, the Academy has been working hard on improving learner numbers and the curriculum offer.
- Trinity Post 16 Solutions Limited – Private limited company - Specialist Post-16 Institution (SPI) offering bespoke educational programmes to 19-25 learners with learning disabilities (LLDD) learners serving a regional wide catchment area. The SPI had a learner allocation of 11 commissioned places in 2018/19 and had a roll of 11 learners on the ILR return (R013 return). The company has been actively working with the Local Authority throughout the year to increase learner numbers.
- Trinity Academy New Bridge – Special Academy – Previously 'The New Bridge Academy' part of the Ascent Trust. Through a sponsored re-brokerage the special academy joined our Trust in December 2018. As part of the transfer, the Trust decided to rebrand the academy 'Trinity Academy New Bridge'. Trinity Academy New Bridge educates learners aged 11 – 18, who have a Statement of Special Educational Needs or Education, Health and Care Plan for Social, Emotional and Mental Health (SEMH). Again, serving a regional wide catchment area. The Academy was commissioned 115 higher needs places in 2018/19 and a roll of 104 learners in the school census in May 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Trinity Academy Newcastle are also the directors of the Charitable Company for the purposes of company law, and the term will be interchangeable throughout. The Charitable Company is known as Trinity Academy Newcastle.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1 and 2.

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.

Trustees' indemnities

Members' and Trustees' indemnity provisions are detailed in Note 11 of the financial statements.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of trustees

Articles of Association, 50-64 state:

50. The Members may appoint up to 3 Trustees.

50A. The Members may appoint Staff Trustees through such process as they may determine.

50B. The total number of Trustees (including the Principal) who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

51. Not used.

52. Not used.

53. Subject to Article 57, the Parent Trustees shall be elected by parents of registered pupils at the Special Academy. A Parent Trustee must be a parent of a pupil at the Special Academy at the time when he/she is elected.

54. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent of a registered pupil at the Special Academy. An election of Parent Trustees which is contested shall be held by secret ballot.

55. The arrangements made for the election of Parent Trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Special Academy.

56. Where a vacancy for a Parent Trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Special Academy is informed of the vacancy and that is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

57. The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

58. In appointing a Parent Trustee the Governing Body shall appoint a person who is the parent of a registered pupil at the Special Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

CO-OPTED TRUSTEES

59. The Trustees may appoint Co-Trustees. A co-opted Trustee means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees (including the Principal).

60 – 64. Not used.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of trustees

Support of new trustees: -

To help new trustees learn about their role and quickly contribute to the work of the Board, there will be an initial meeting with the Chair and the CEO and a mentor (a named and experienced trustee) will be appointed. There will be welcome and full introductions at the first meeting.

New trustees will be provided with the following:

- The DfE's 'A competency Framework for Governance' guidance document',
- The DfE's 'Governance Book',
- The ESFA Accounts Direction and Financial Handbook,
- Organisational Chart including staffing responsibilities,
- Last Ofsted reports,
- Scheme of Delegation,
- MAT Growth Strategy,
- Copies of the latest Annual Reports,
- Copies of newsletters including Trustee Newsletters,
- Copies of the minutes from the three most recent Board meetings,
- A schedule of upcoming Board meetings,
- Details of committee meetings and their terms of reference (If they are committee members),
- The Code of Conduct for Trustees,
- Copy of the Terms and Holidays calendar,
- Contact details of the Chair, Clerk and Trust,
- New Trustees will receive any policies which relate to their responsibilities,
- Username/ Password to access emails, One Drive and Teams,
- Access to the NGA website and training.

We encourage all new Trustees to take up training opportunities – especially Induction – offered by Trustee Services and from the NGA (eLearning). The PA to the CEO records all Trustees Training. These records are updated on a half termly basis and published and discussed at all Board Meetings.

A mentor (usually the Chair) will do the following:

- Make contact with the new Trustee and welcome them onto the Board
- Arrange an informal meeting with the new trustee to offer a chance to ask questions
- Arrange for the new trustee to attend a site assembly or celebration event
- Provide the new trustee with a copy of the Trust's trustee pack
- Explain to the new trustee
 - How meetings of the Board are conducted
 - How to propose agenda items
 - The role of each committee of the Board
 - Child protection arrangements – the Board's role in relation to safeguarding and child protection
 - The relationship between the CEO and the Board
 - The actions to take if unable to attend a meeting
 - The importance of confidentiality and the steps that must be taken to ensure it
 - The layout of the buildings and grounds and any potential developments
 - Introduction to the farm and other vocational areas
 - How to organise visits and how to record findings

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Organisational structure

The Management structure consists of five levels; the Board of Trustees, 3 committees, the Local Advisory Boards, the MAT Executive Leadership Team and the Senior Leadership Team. The aim of the management structure is to devolve responsibility via the Scheme of Delegation and encourage involvement in decision making at all levels.

The Board of Trustees has overall responsibility and is ultimately accountable for the academies within the Trust; they hold the Chief Executive to account.

Powers are delegated from the Board via the Trust's scheme of delegation which is reviewed annually.

The Trustees, through Terms of Reference of the Board and its committees are responsible for the strategic direction of the Trust and its individual academies.

The Local Advisory Board undertakes a consultative role and advises the Chief Executive and the Board in respect of matters relating to each individual Academy/SPI.

Trinity Academy Newcastle Trust MAT Executive Leadership Team consists of the Chief Executive Officer and 4 Heads of School and Executive Headteacher. The Executive Team leads and manages the Trust at an Executive level, steering the direction of the Trust in line with strategic plans and developing opportunities.

Each organisations' Senior Leadership Team is responsible for the day to day operation, and in collaboration also support the wider network and objectives of the Trust.

Arrangements for setting pay and remuneration of key management personnel

The arrangements and range of remuneration packages for key management personnel, being the Executive Leadership Team, are set by the Trustees and managed operationally by the CEO through Performance Management review throughout the year and in full annually. The benchmarks and parameters for setting remuneration packages for key roles in each institution are based on local schools/ academies/ trusts relative to the size of institution and accountability of the role.

These roles are managed by the CEO and are held to account accordingly. The CEO is held to account through Performance Management review directly with the Board of Trustees.

Related parties and co-operation with other organisations

There are no related parties which either control or significantly influence the decisions and operates of the Trust.

Trinity Post 16 Solutions Limited, a subsidiary company, was incorporated on 18 December 2015. Details of the subsidiary, including its results for the year, are included in note 14.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

The principal object and activity of the Trust is to advance education in the UK in particular by establishing, maintaining, carrying on, managing and developing its academies specially organised to offer a broad and balanced curriculum with strong emphasis on the specified specialisms of those academies.

The Trinity Academy Newcastle Trust is committed to the professional development of its Board of Trustees and staff team. Working to a strategic 3-year plan, with strong structures and a central focus on developing high quality teaching and learning, we are continuously improving and developing our service through high quality training for all and through a concerted drive towards distributed leadership and succession planning. Our commitment is evident through our high level of annual investment in training and development.

The Trust will set high standards for all, confident that all can experience success by:

- Providing all students/learners an appropriate grounding in literacy and numeracy.
- Prepare all students/learners for life. Delivering a planned exciting curriculum that looks at each child/young person as a whole person, preparing them for adulthood, relationships and the possibility that one day they may become a parent
- Encouraging the development of learners' digital skills to broaden knowledge and wisdom, helping them to make informed life decisions.

The Trust will deliver high standards with a clear focus on a set of core principles that will ensure:

- Excellence
- Kindness
- Honesty
- Calm
- Equality of opportunity
- Successful leadership at all levels and from all parts of the Trust community

The School Improvement Model

The Trust will commission a coherent package for school improvement which:

- Is tailored to each individual organisation and is in response to 'rich' contextual understanding of the challenges faced
- Brings about rapid improvement and builds capacity
- Is recognised as good practice
- Draws upon research and is supported by an evidence base
- Is provided by quality assured professionals who respect and build capacity and confidence
- Maximises the use of school to school support
- Articulates high expectations of teachers and learners

Objectives 2017-2020:

On our journey to deliver against the 3 year strategic objectives in 2017-20 we will focus on the following:

1. Developing leadership and management of Trinity Academy Newcastle Trust.
2. School improvement and effectiveness, including raising standards of educational achievement
3. Expand the number of academies in the Trust through collaboration and co-operation and through building its reputation for delivering high quality education

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Objective

Developing Leadership and Management of TAN
MAT

Performance

The Trust has a highly effective and responsive board of trustees that have a demonstrable impact, challenge and influence on key issues and outcomes. This was confirmed in the Ofsted inspection report for Trinity Academy Newcastle in November 2018, the report stated:

- Trustees are fully committed to improving the school further. They provide effective challenge to school leaders.
- Trustees are highly ambitious for the school. With the support of the chief executive officer of the trust, they have invested in new leadership and teaching posts to strengthen the school's capacity for further improvements.
- Trustees have a strong understanding of the strengths and weaknesses of the school.
- They meet with senior leaders regularly to review important aspects of the school's work.
- Their support and challenge ensure that pupils continue to make good progress across all key stages".

The successful application for MDIF funding, accelerated our plan to deliver a cycle of continual professional development to motivate and develop Leadership and Management capacity across all academies within the Trust. The following CPD was undertaken:

- 1 HOS is undertaking NPQH
- 3 members of staff are undertaking the NPQML
- Various CPD's attended by ELT and Trustees targeted at MAT Development/ Growth and Capacity as well as school improvement.
- CEO peer coaching.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

School improvement

In line with the Trust objectives for growth, the Trust employed two Deputy Head Teachers to support school improvement priorities across its academies and provide capacity for future sponsor/re-brokerage projects and school to school support.

The Board of Directors and Executive Leadership Team work together to ensure there are no unnecessary and onerous workload for ELT and all staff and have a streamlined self-evaluation cycle of reporting, monitoring and evaluating teaching and learning, progress and outcomes, in real time at key points across the year (Using latest data to ensure that the Trust is reviewing and discussing the most current data). From this we adopt a standard core data set that can be presented in varying degrees of depth according to the audience. This means teachers and senior leaders can use the data as a formative assessment tool, while LAB Directors have access to a report that provides a graphic overview of how each academy is performing.

Effectiveness

Trinity Academy Newcastle Multi Academy Trust now has a coherent package for school improvement which is tailored to each individual academy and understands where it is on its school improvement journey; this may relate to culture, expectations of learners, leadership, governance, attendance, behaviour, teaching and learning, assessment or variability in performance.

The model brings about rapid improvement, builds capacity and maximises the use of school to school support whilst articulating high expectations of both staff and learners.

Raising Standards of educational achievements of all learners

See achievements and performance section.

Expand the number of academies in the Trust

Trinity Academy Newcastle Multi Academy Trust sponsored The New Bridge Academy in December 2018 and is currently working on two Free School Applications for Northumberland and Hartlepool in the Special and AP round to be submitted in September 2019. Our approach will be: To create a specialist hub within the North East area, expanding beyond being the leading provider in Newcastle and supporting neighbouring Local Authorities through shared visionary, research and development work and effective collaboration.

Public benefit

In exercising its powers and duties the Trust has complied with its duty to have due regard to the Charity Commissions' guidance on Public Benefit. The main public benefit delivered by the Trust is the provision of a high quality of education to its students / learners. This has been evidenced through the results achieved and feedback from external assessments and partnerships.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

During the period 1st September 2018 to August 2019, the Trust has gone through two Ofsted Inspections. One being Trinity Academy Newcastle in December 2018 (Full Inspection) and the other being Trinity Solutions Academy in January 2019 (Full Inspection). The following describes the most recent Ofsted evaluations of each Academies:-

- Ofsted evaluated Trinity Academy Newcastle as retaining Good. Key findings from the report state the head teacher sets high expectations for pupil's behaviour. His ethos of kindness, honesty and calm is shared by his staff and is evident in all aspects of the school. Pupils make good progress from their different starting points. Pupils' behaviour is good. The majority of pupils enjoy coming to school and display positive attitudes to their learning. Staff support pupils well.
- Ofsted evaluated Trinity Post 16 Solutions Limited as Good across all areas. Key findings from the report state the quality of teaching, learning and assessment is good. Too many learners leave their programmes early and therefore do not achieve their qualifications. Learners greatly improve their confidence and self-esteem as a result of the inclusive ethos and encouragement that they experience at the academy.

The Trust has been successful in securing Capital Improvement Funds from the Educational and Skills Funding Agency (ESFA) for Trinity Solutions Academy. This has resulted in enhancing and developing the plant room and distribution.

In line with the Boards vision of growing the Trust, the Trust has also been granted the MAT Development Fund from the ESFA. These funds have assisted the Board and the Leadership in preparing the building blocks to expend the Trust over the next few years. As a resulted the Trust successfully grew the Trust by one academy during the academic year 2018/19.

The Leadership Team has continued to work relentless in embedding digital technology into the classroom. Further investment has been made in purchasing tablets for all teachers and students, along with digital screens. Due to this, digital technology has now be embedded throughout the Trust.

The Trust Safeguarding Lead has continually been developing processes and procedures to ensure safeguarding remains outstanding across the Trust. As part of this, the Trust has developed and completed an Extremism and Radicalisation Self-Assessment and Risk Assessment and action plan. Along with a Safeguarding Self-Assessment and Risk Assessment and action plan. The Trust has also developed an area on its website where parents, carers and students can access bite size safeguarding and child protection guidance. There are weekly updates on our social media sites to support online safety for our learners. Quality training in safeguarding is high priority for all staff across the trust and the Safeguarding team have access to an external Safeguarding Consultancy who also supports us with high quality training and updates in legislation.

The Trust has been successful in driving the Mental Health improvement plan forward, in doing so the Trust was awarded the Bronze Status - Carnegie Centre of Excellence for Mental Health in Schools - School Mental Health Award in June 2019. The Trust has also assisted in the Voice of the Pupil study for Healthy MINDed, by undertaking data collection and analysis of focus groups studies with students around mental health.

Trinity Academy Newcastle

- Attendance – 49% of our students have improved their attendance since joining the Academy.
- Behaviour – 57% reduction in bullying – only 3 reported incidents in the whole academic year.
- KS4 Outcomes – 77% achieved a qualification in English and Maths. This is a significant improvement on the year before [42%].
- KS2 Outcomes – Progress scores are in line with national averages for Reading and Maths. In addition, our broad curriculum has enabled students to be tested for KS2 Science SATS for the first time.
- Pupil Premium – Higher proportion of Pupil Premium students left with qualifications in English and Maths.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Trinity Academy New Bridge

- Attendance – 32% of our students have improved their attendance since joining the Academy.
- Behaviour – 50% reduction in fixed-term exclusions as a result of students embracing the new culture and ethos of the Trust.
- KS4 Outcomes – 77% achieved a qualification in English and Maths. This is a significant improvement on the year before [42%].
- Pupil Premium – Higher proportion of Pupil Premium students left with qualifications in English and Maths.

Trinity Solutions Academy

- Attendance – Trinity Solutions Academy achieved 92.8%, a 2.8% improvement over previous year.
- Retention – 85% retention rate, a significant improvement compared to previous year [77%].
- Core aim achievement – 82% achieved their core aim at TSA. This is in line with national average of 82.1%.

Trinity Post 16 Solutions Limited

- Attendance –TPSL's attendance for the academic year 2018-19 was 94.6%.
- Retention – 83% retention rate, a 3% improvement compared to previous year.
- Core aim achievement – 78% achieved their core aim at TSA.
- Progression - 100% of students attending Trinity Post 16 Solutions Limited progressed onto employment or further education. This is consistent with the previous year's progression rate of 100%.

Financial review

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets. In accordance with 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) (Effective 1 January 2015) (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the asset concerned. During the year, £272,009 was recognised in respect of Devolved Formula Capital and Condition Improvement Fund grants.

Trinity Post 16 Solutions Limited was incorporated on 18 December 2015 as a trading subsidiary of the Trust, being a DFE requirement post-conversion to allow the continuation of Post 19 education. Although the Limited Company was incorporated in 2015, the company did not start trading until August 2016. The Trustees of the Limited Company agreed that any surplus as of 31 August 2019 will be gifted to Trinity Solutions Academy.

During the year ended 31 August 2019 total income of £12,713,262 (2018: £4,757,166) was received and total expenditure of £6,660,672 (2018: £4,388,498) was incurred. The net movement in funds for the year (including other gains/losses) was £5,073,590 (2018: £772,668 deficit).

Financial and risk management objectives and policies

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect of liquidity.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Reserves policy

The Trusts Reserves Policy has been prepared with reference to the following documents: Charities and Reserves (CC19) from the Charities Commission; ESFA Academies Financial Handbook and the ESFA Accounts Direction. The policy also takes consideration to key factors around the management of public funds, consideration of the Trusts principal risks and uncertainties, ensuring the Trust have the resources required to deliver school improvement and its core aims, whilst ensuring value for money is met.

The key policy principles which underpins the Trusts approach:

- The Trust will set a balanced in year revenue budget every year.
- The Trust's reserves balance should only decrease due to capital investment and/or other organisational needs which shall at all times be approved by the Finance, Audit and Resources Committee.
- All reserves are Trust reserves, however individual Academy reserves balances will be reported for the purpose of statutory accounting.
- The Trusts general reserves balance may be comprised of restricted or unrestricted reserves.

The Board reviews the reserve level of the academies annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Board has determined that the appropriate level of free reserves should be equivalent to three (£1,107K) to six months' (£2,214K) Trust salaries - Average Monthly Trust Salary £369K (Taken from Predicted Salary Costs for 19/20 not including Supply Costs etc.).

The Trust's current level of 'free' unrestricted reserves are £1,023k (2018: £963k). The Trust currently holds just under three months Trust salaries including supply salaries.

Whilst the current level of 'free' unrestricted reserves is at the lower level of the target range, the Trust also holds £1,621k of restricted income funds.

Therefore as the combined reserves are £2,644k, the Board has committed the following reserve expenditure, against a review of the Trusts priorities and strategic plan.

These commitments will aid the Trusts growth whilst alleviate pressure from the annual academies premises budget. Also assist the Trust with bringing Digital Skills/ Capability to the forefront of Teaching and Learning.

2019 – 2020 - £420k – Free reserves for £110k MAT Development, £60k ICT investment, £100k Curriculum/ Restructure Review and £150k Premise Development Investment including Asbestos Removal.

These commitments will be reviewed annually and the Trustees reserve the right to amend the reserve levels/ commitments in the interest of the Trust.

Investment policy

The Trust operates an interest bearing current account with Lloyds bank as approved by the Board of Trustees. Sufficient balances are maintained to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including sufficient contingency for unexpected payments.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

The key financial performance indicators of the Trust relate to the effectiveness of the use of funds for the benefit of the education of children. The key non-financial performance indicators to the Trust relate to the achievements and performance of its students. Please see the achievements and performance section for further details.

The Trust, where available, uses benchmarking opportunities to ensure that performance indicators, financial, environmental and employee matters are reviewed annually and any areas for development are addressed. The Trust also makes use of comparative data provided by the Educational and Skills Funding Agency (ESFA) and the Local Authority.

Trinity Academy Newcastle Trust is pleased to report that all of the academies within the Trust made good progress towards the key achievement and performance areas during 2018-2019.

In relation to exam results, the Trinity Academy Newcastle Trust, more learners compared to previous years finished KS4 with English and Maths qualifications.

In relation to the Business Enterprise element of the Trust, course bookings and lettings remain to be at its highest since commencing, with courses such as Midas continuing to be a massive success. Along with the financial benefit, the Trust has also been able to market itself not only around the Tyne and Wear area but the North East area and continues to improve its reputation.

The Trust underwent an external Financial Efficiency and Integrated Curriculum and Financial Planning Review during the period, which was carried out by AVEC.

The review states that the Financial Health Check of the Trust is currently in satisfactory financial health.

School Resource Management Self- Assessment Review outlines the following:-

- Staff as a percentage total expenditure - Teaching staff as a percentage of total expenditure at Trinity New Bridge Academy is 45% (falls within the highest 20% of similar schools) and Trinity Academy Newcastle at 28% (falls within the lowest 20% of similar schools). However since Trinity Academy New Bridge joined the Trust, the academy has undergone a staffing restructure to bring them into line with the Trust priorities and target curriculum ratios. Moving forward these changes will bring Trinity Academy New Bridge in line with national averages.
- Teaching Resources as percentage of total expenditure – was in line with the majority of schools or recognised standards.

Integrated Curriculum and Financial Planning Review:-

- Percentage spend on pay – The average spend on staff pay across the Trust is 73%. The DfE consider staffing costs over 80% to be high and recommend an aspirational target of between 70-75% and so the Trust is within these parameters.
- Curriculum Headroom – Defined by ASCL as the amount of time which is not spent upon teaching or PPA. Statutory requirement is 10%; however the Trust operates between 10 – 15%, a conscious decision made by the Board as part of the wellbeing/ recruitment/ retention strategy for teachers and recognising the challenges that the nature of the Trust presents.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Metrics (do not include details of Special Schools and Alternative Provision)

1. Staff & Class Characteristics	Trust Characteristics			
	TAN	TANB	TSA	Trust Total/ Average
Pupil : Teacher Ratio	9.3	6.0	9.8	8.4
Pupil : Teacher Ratio (including HLTA's delivering the curriculum)	6.3	4.9	9.8	7.0
Pupil : Staff Ratio	3.0	2.5	10.9	3.6
Average Teacher Cost ¹⁶ (inc on-costs)	£53,196	£53,307	£38,747	£48,417
Average Teacher Cost (including HLTA's delivering the curriculum)	£45,473	£47,335	£38,747	£43,851
Average Class size ¹⁷	9	8	13	10
Number of Periods / Week	34	34	17	n/a
Teacher contact ratio (including HTLA's delivering the curriculum)	0.65	0.65	0.77	0.69
Curriculum headroom/curriculum bonus ¹⁸	188	126	32	347
Predicted pupil number change in 3-5 years	-1%	40%	0%	13%
Cost of one lesson (based on all staff delivering the curriculum)	£2,044	£2,129	£2,958	£2,377

2. Spending as % of Total Expenditure	Trust Characteristics			
	TAN	TANB	TSA	Trust Total/ Average
% of total spend on staff pay ¹⁹	77%	78%	68%	74%
% of total spend on teaching staff pay	28%	45%	60%	44%
% of total spend on curriculum support staff pay	21%	21%	0%	14%
% of total spend on non-curriculum support staff pay	8%	3%	0%	4%
% of total spend on senior leadership staff pay	9%	14%	13%	12%
% of total spend on management ²¹ costs	10%	14%	13%	12%

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

3. Income & Expenditure per pupil	Trust Characteristics			
[as calculated through Consistent Financial Reporting (CFR22) and Academy Accounts Return (AAR23)]				
	TAN	TANB	TSA	Trust Total/ Average
Total Income per pupil	£22,151	£21,998	£5,693	£17,398
Total Expenditure per pupil	£23,460	£19,628	£6,061	£17,555

Income Per Pupil				
(as per Consistent Financial Reporting and Academy Account Return categories)				
	TAN	TANB	TSA	Trust Total/ Average
Direct grant funding	£21,301	£21,961	£3,117	£16,249
Self-Generated Income	£850	£37	£2,576	£1,150

Spend Per Pupil				
(as per Consistent Financial Reporting and Academy Account Return categories)				
	TAN	TANB	TSA	Trust Total/ Average
Supply/agency cost per pupil	£1,744	£0	£501	£970
Staff	£18,059	£15,320	£4,135	£13,412
Non-Staff	£5,401	£4,308	£1,926	£4,143
Facilities Management	£970	£770	£0	£644
Cleaning & Catering	£40	£350	£0	£103
Educational Supplies	£1,603	£1,834	£1,151	£1,529
Premises	£2,368	£2,790	£0	£1,791
Business Admin	£199	£111	£0	£121
Energy	£648	£415	£423	£528

The key non-financial performance indicators of the Trust relate to the achievements and performance of its students. The measures used to assess achievements and outcomes are:

- FFT (Key stages 2 & 4)
- IDSR
- Trackers / End of unit assessments
- External Assessment Tools (Doddle, ForSkills, Fagus etc.)
- QAR

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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 Accounting Policies note of the financial statements.

Plans for future periods

Developing and growing Trinity Academy Newcastle Trust: A key strategy of the Trust is to promote and develop the Trust and the services that we offer to a wider cohort of Schools. This means that our Academies can focus on improving Teaching and Learner and delivering educational excellence.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Our approach will be to:

- Grow steadily (Sponsored and Free Schools) in a measured and considered fashion and expand the number of academies in the Trust through collaboration, co-operation and building its reputation for delivering high quality education, access to shared central services and economies of scale.
- To create a specialist hub within the North East area, expanding beyond being the leading provider in Newcastle and supporting neighbouring Local Authorities through shared visionary, research and development work and effective collaboration.

Fundraising

Trinity Academy Newcastle Trust periodically carries out in house fundraising activities such as raffles, in order to raise funds for key purposes such as developing the farm or school residential trips. The Trust ensure that they are compliant with their legal duties and are in line with financial guidance. The Trustees are responsible for monitoring any fundraising that is undertaken within the year from all of its academies.

Funds held as custodian trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

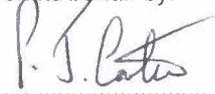
AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

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 ~~10.12.2019~~ and signed on its behalf by:



.....
P Carter

Chair

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board has delegated the day-to-day responsibility to the CEO, 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 Trinity Academy Newcastle Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees 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 Board of Trustees has formally met 5 times during the year.

Although the Board did not meet 6 times during the year, the Board were able to conduct effective oversight as the Finance, Audit and Resources Committee met eight times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Elliott (Vice chair)	2	5
W Curley (Accounting Officer)	5	5
S Willmott	5	5
Z Edmonds	5	5
L Briggs	2	5
M A Curtis	4	5
N V Greenley	2	4
P Carter (Chair)	5	5
I Peel (Appointed 11 December 2018)	4	5
D Edmondson (Appointed 11 December 2018)	1	1
S Hall (Appointed 11 December 2018)	4	5
K Chachra (Appointed 5 February 2019 and resigned 1 July 2019)	2	3

Governance reviews

The annual review of governance took place at the beginning of the academic year and focussed on key areas of Vision, Ethos and Strategy; Governance Structures, Board Skills Matrix and Boards Effectiveness. The review outlined a skills shortage in key areas, such as Finance, Education and Human Resources. The Trust worked in partnership with the Academy Ambassadors to secure three Trustees, one Trustees with Finance experience, one with Human Resources experience and one with Post 16 Education experience.

The Code of Conduct for those responsible for governance is regularly highlighted to reinforce the expectation that those responsible for governance work collectively in the best interest of the Academy Trust.

In order to support the Trusts future growth, the Board of Trustees along with the Executive Leadership Team has produced a strategic Growth Plan covering the period November 2017 to 2020. This plan sets out the Trust's three year strategic objectives, including our priorities for the coming years. Whilst outlining the key attractions for other schools looking to join our Trust.

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (CONTINUED)

The Finance, Audit & Premises Committee is a sub-committee of the main Board of Trustees. The responsibilities of the Finance, Audit & Premises Committee are but not limited to:

- Reviewing the Trusts consolidated budget, central budget and three-year financial plan, as well as making recommendations to the board of trustees regarding these key documents.
- Approving the annual budget for each academy.
- Regularly monitoring expenditure and income against the budget and making any recommendations to the Board of Trustees.
- Reviewing the mandates for the operation of academy bank accounts and credit cards.
- Ensuring appropriate insurance arrangements are in place for the Trust.
- Implementing appropriate accounting policies.
- Ensuring an appropriate framework of internal financial controls is established.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and related ESFA guidance.
- Authorising changes to the personnel structure of each academy.
- Writing off bad debts over £100.
- Acting as the audit committee for the Trust and reviewing reports on the effectiveness of the financial procedures and controls of the Trust.
- Authorising the disposal of assets and authorising formal tenders.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
S Elliott (Vice chair)	6	8
W Curley (Accounting Officer)	8	8
S Willmott	7	8
Z Edmonds	1	1
N V Greenley	2	7
P Carter (Chair)	8	8
I Peel (Appointed 11 December 2018)	7	8
S Hall (Appointed 11 December 2018)	1	1

The Educational and Curriculum Committee is also a sub-committee of the main Board. The responsibilities of the Educational and Curriculum Committee are:

- Curriculum Policies
- Learner Wellbeing
- Attendance
- Teaching and learning
- Pupil Premium
- LAC
- Assessment and Attainment
- Learner results
- Curriculum and Timetable

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (CONTINUED)

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
W Curley (Accounting Officer)	1	1
Z Edmonds	1	1
L Briggs	0	1
M A Curtis	1	1
P Carter (Chair)	1	1
S Hall (Appointed 11 December 2018)	1	1

The Board conducted an internal governance review at the start of the academic year and agreed that progress had been made on the recommendations from the previous year. However further improvements were still to be made.

Emerging issues from 17/18 were:-

- Trustees expressed that they would like more financial and risk training – The Trust organised in house financial training and also obtained external financial statement training for the full Board. Along with the in-house training, the Trust also purchased NGA online training for the Board to access further CPD.
- Links with stakeholders – The Board has worked relentless throughout the year to engage with parents, carers, learners and the local community/ businesses. Due to this, parental engagement has risen across the Trust and local partnership have been formed.
- Links with other Boards – possibilities for sharing good practice – The Chair of the Board has also joined a Local Advisory Board of a local primary school, this has aided partnership working and sharing of good practice.
- Visits to be more focused on the Trust priorities – The Board agreed in Autumn Term, that all Trustees would carry out at least one visit per term, concentrating on school improvement priority areas such as English and Maths SIP, Attendance compliance, Attendance SIP and holding the Heads of School accountable for significant improvements. As a result of this, more learners have left Year 11 achieving a qualification in Maths and English, whilst attendance at Trinity Solutions Academy increased by 2.8% following the governance intervention.
- More thought needed on the impact of governance and Trustees on outcomes – The Board agreed to address this issue during Local Advisory Board Meetings scrutinising, challenging and holding to account school leaders for learner outcomes.

The Chair of the Board has also been successful in completing the Chair of Governance Leadership Development Programme. The Trust also recruited a full time Governance and PA Officer for the Trust, assisting the full board in its Governance duties. Following this appointment, the Governance and PA Officer secured funding to undertake the Development for Clerk Programme starting academic year 2019/20.

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting Officer, the Chief Executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands the 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 Trusts use of its resources has provided good value for money during each academic year, and reports to the Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Improving Educational Outcomes

During the year, the Trust ensured educational outcomes improved for learners by achieving the following:

- Offering an exciting and diverse curriculum ensuring all learners have had the opportunity to raise their individual levels of attainment.
- Learners accessed specialist equipment, provision of vocational opportunities and work experience, along with bespoke alternative education where necessary.
- Learners accessed outdoor education as part of a broad and balanced curriculum, which helped to increase attendance.
- The Trust has offered learners exciting Power of Choice incentive, to assist with learner behaviour and attendance.
- Regular and robust training and development underpinned the appraisal process and staff continued to be encouraged and supported in their personal professional development. The Teaching and Learning Focus Group for the Trust planned training across the Trust ensuring best value in terms of economies of scale in relation to the cost of professional development opportunities.
- The Trust has invested in developing more middle leaders across the Trust and committed to a number of School Direct/ QTSL programmes.
- The Trust has continued to operate the Business Enterprise Training, to assist with increasing self-generated income and to offset some of the Trusts CPD expenditure.
- The Trust also continued to offer and deliver Pre 16 alternative education to other schools, Academy's and authorities. These funds assisted in offsetting salaries and educational costs.

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (CONTINUED)

Financial Performance

As accounting officer the CEO 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 outcome achieved in return for the taxpayer resources received.

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

- The Trust submitted two CIF bids to the ESFA, of which one was successful. The successful bid, will improve the boilers efficiency within the plant room and assist with reducing energy costs. (Trinity Solutions Academy: £196,988).
- Participation in the Newcastle City Council EA16 Central Government procurement tender and Deals for Schools for ICT equipment such as Tablets.
- A contract review took place for Trinity Academy New Bridge and contracts were streamlined in line with our other academies, resulting in cost savings.
- Sharing assets the Trust ensured more efficient use of resources, resulting in saving money and giving maximum return for the Trust. Over the year, in addition to staffing, this has included sharing resources, vehicles and utilising vacant rooms. (This now includes Trinity Academy New Bridge).
- The Trust renegotiated daily rates of pay for supply staff, resulting in lower daily rates.
- The Trust conducted general trust procurement exercises for items over £1,000 (Obtaining two written quotations) and over £2,500 (obtaining three written quotations).

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 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 Trinity Academy Newcastle for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees 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 board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have decided to use RSM Risk Assurance Services LLP to undertake independent checks.

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

- Payroll checks
- Purchases review
- Income review
- Financial systems checks

RSM Risk Assurance Services LLP reports to the board of trustees, through the Finance, Audit & Premises Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. RSM Risk Assurance Service LLP has delivered their schedule of work as planned, all recommendations have been reviewed and processes have been put in place.

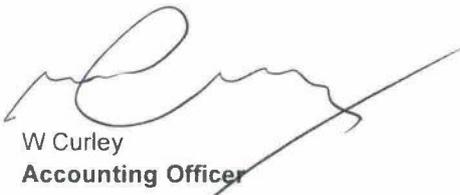
Review of effectiveness

As accounting officer the principal 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 reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the Head of School (Business) 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, Audit & Premises Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 10.12.2019 and signed on its behalf by:


W Curley
Accounting Officer


P Carter
Chair

TRINITY ACADEMY NEWCASTLE

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Trinity Academy Newcastle I have considered my responsibility to notify the academy trust board of trustees 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees 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 2018.

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

W Curley
Accounting Officer



10 December 2019

TRINITY ACADEMY NEWCASTLE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Trinity Academy Newcastle for the purposes of company law) are responsible for preparing the trustees' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction issued 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 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 Trinity Academy Newcastle 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:

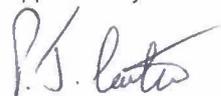
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 that grants received from ESFA/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 10.12.2019 and signed on its behalf by:



P Carter
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINITY ACADEMY NEWCASTLE

Opinion

We have audited the financial statements of Trinity Academy Newcastle (the "parent charitable company") and its subsidiary (the 'group') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 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 charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions 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 Trustees' Report and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRINITY ACADEMY NEWCASTLE (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 24, the trustees (who act as trustees for the charitable activities of the charitable company) 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, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Lucy Robson (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
...13/12/19...

TRINITY ACADEMY NEWCASTLE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	-	-	272,009	272,009	324,850
Donations - Transfer of existing academy into the trust		-	124,978	6,492,484	6,617,462	-
Charitable activities:						
- Funding for educational operations	4	-	5,714,611	-	5,714,611	4,289,848
Other trading activities	5	107,645	-	-	107,645	141,268
Investments	6	1,535	-	-	1,535	1,200
Total		<u>109,180</u>	<u>5,839,589</u>	<u>6,764,493</u>	<u>12,713,262</u>	<u>4,757,166</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	49,385	5,976,519	634,768	6,660,672	4,388,498
Total	7	<u>49,385</u>	<u>5,976,519</u>	<u>634,768</u>	<u>6,660,672</u>	<u>4,388,498</u>
Net income/(expenditure)		59,795	(136,930)	6,129,725	6,052,590	368,668
Transfers between funds	18	-	(92,943)	92,943	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(979,000)	-	(979,000)	404,000
Net movement in funds		59,795	(1,208,873)	6,222,668	5,073,590	772,668
Reconciliation of funds						
Total funds brought forward		963,081	246,020	11,361,879	12,570,980	11,798,312
Total funds carried forward		<u>1,022,876</u>	<u>(962,853)</u>	<u>17,584,547</u>	<u>17,644,570</u>	<u>12,570,980</u>

TRINITY ACADEMY NEWCASTLE

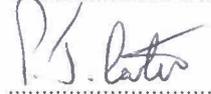
BALANCE SHEETS

AS AT 31 AUGUST 2019

	Notes	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Fixed assets					
Tangible assets	13	17,448,704	17,448,704	11,164,012	11,164,012
Current assets					
Debtors	15	235,908	233,484	159,592	159,592
Cash at bank and in hand		3,074,294	3,074,294	2,534,485	2,534,485
		3,310,202	3,307,778	2,694,077	2,694,077
Current liabilities					
Creditors: amounts falling due within one year	16	(530,336)	(527,912)	(288,109)	(288,109)
Net current assets		2,779,866	2,779,866	2,405,968	2,405,968
Net assets excluding pension liability		20,228,570	20,228,570	13,569,980	13,569,980
Defined benefit pension scheme liability	25	(2,584,000)	(2,584,000)	(999,000)	(999,000)
Total net assets		17,644,570	17,644,570	12,570,980	12,570,980
Funds of the academy trust:					
Restricted funds					
- Restricted fixed asset funds	18	17,584,547	17,584,547	11,361,879	11,361,879
- Restricted income funds		1,621,147	1,346,076	1,245,020	1,077,096
- Pension reserve		(2,584,000)	(2,584,000)	(999,000)	(999,000)
Total restricted funds		16,621,694	16,346,623	11,607,899	11,439,975
Unrestricted income funds	18	1,022,876	1,297,947	963,081	1,131,005
Total funds		17,644,570	17,644,570	12,570,980	12,570,980

The results of the unconsolidated charity are total income of £12,581,713 (2018: £4,602,677) and net incoming resources of £5,073,590 (2018: £368,668).

The financial statements on pages 27 to 55 were approved by the board of trustees and authorised for issue on 10.12.2019 and are signed on their behalf by:



P Carter
Chair

TRINITY ACADEMY NEWCASTLE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by operating activities	23		135,649		603,745
Cash funds transferred on conversion			337,978		-
			<u>473,627</u>		<u>603,745</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1,535		1,200	
Capital grants from DfE Group		232,611		324,850	
Purchase of tangible fixed assets		(167,964)		(68,670)	
		<u>66,182</u>		<u>257,380</u>	
Net cash provided by investing activities			<u>66,182</u>		<u>257,380</u>
Net increase in cash and cash equivalents in the reporting period			<u>539,809</u>		<u>861,125</u>
Cash and cash equivalents at beginning of the year			<u>2,534,485</u>		<u>1,673,360</u>
Cash and cash equivalents at end of the year			<u><u>3,074,294</u></u>		<u><u>2,534,485</u></u>

TRINITY ACADEMY NEWCASTLE

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

1 Accounting policies

General information

Trinity Academy Newcastle is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Going concern

The trustees 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 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 authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The group financial statements consolidate, on a line by line basis, those of the company and its subsidiary undertaking, Trinity Post 16 Solutions Limited, over which it exercises control. These financial statements are drawn up to 31 July 2019. Profit or losses on intra-group transactions are eliminated in full.

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Trinity New Bridge Academy to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note .

Income

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

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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 cost for recharge of services, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Interest receivable

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

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

These are costs incurred on the academy trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £1,000 or more (machinery, equipment and vehicles) and £10,000 or more (land, buildings and improvements) 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 that require 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, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	Straight line over 50 years
Computer equipment	Straight line over 3 years
Fixtures, fittings and equipment	Straight line over 5 years
Motor vehicles	Straight line over 5 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.

Liabilities

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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Financial instruments

The academy trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset of financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income 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.

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

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

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

Termination benefits

Termination benefits to encourage employees to leave service voluntarily are recognised when employees accept the Academy Trust's offer to those benefits. Termination benefits provided as a result of the Academy terminating employment are recognised when the Academy Trust has communicated its plan of termination to the affected employees.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement (Continued)

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Reduced disclosures

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and reduced notes and disclosures

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	272,009	272,009	324,850

The income from donations and capital grants was £272,009 (2018: £324,850) of which £272,009 was restricted fixed assets (2018: £324,850).

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,638,336	2,638,336	2,104,493
Other DfE group grants	-	760,466	760,466	388,809
	-	3,398,802	3,398,802	2,493,302
Other government grants				
Local authority grants	-	2,315,809	2,315,809	1,796,546
	-	5,714,611	5,714,611	4,289,848

The income from funding for educational operations was £5,714,611 (2018: £4,289,848) of which £5,714,611 was restricted (2018: £4,289,848).

Other DfE/ESFA grants are made up of pupil premium, year 7 catch up, universal free school meals, post 16 income, PE grants, MDIF, Teachers Pay Grant, Sponsorship Funding and BSF revenue. Local Authority grants are in relation to top up funding, SEN funding, Looking after Children, music service grants and Intervention. There are no unfulfilled conditions or contingencies for grants recognised in the period.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Catering income	6,238	-	6,238	5,250
Income from recharge of services	-	-	-	65,164
Other income	101,407	-	101,407	70,854
	<u>107,645</u>	<u>-</u>	<u>107,645</u>	<u>141,268</u>

The income from other trading activities was £107,645 (2018: £141,268) of which £107,645 was unrestricted (2018: £141,268).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Interest from short term deposits	1,535	-	1,535	1,200
	<u>1,535</u>	<u>-</u>	<u>1,535</u>	<u>1,200</u>

The income from funding for investment income was £1,535 (2018: £1,200) of which £1,535 was unrestricted (2018: £1,200).

7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2019 £	Total 2018 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	3,196,712	375,756	265,642	3,838,110	2,951,865
- Allocated support costs	1,413,280	905,630	503,652	2,822,562	1,436,633
Total support costs	<u>4,609,992</u>	<u>1,281,386</u>	<u>769,294</u>	<u>6,660,672</u>	<u>4,388,498</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	57,859	56,830
Depreciation of tangible fixed assets	375,756	257,754
Net interest on defined benefit pension liability	29,000	28,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	14,800	13,300
- Other services	9,000	10,680
	<u>14,800</u>	<u>13,300</u>
	<u>9,000</u>	<u>10,680</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	-	3,838,110	3,838,110	2,951,865
Support costs				
Educational operations	49,385	2,773,177	2,822,562	1,436,633
	<u>49,385</u>	<u>6,611,287</u>	<u>6,660,672</u>	<u>4,388,498</u>

The expenditure on charitable activities was £6,660,672 (2018: £4,388,498) of which £49,385 was unrestricted (2018: £40,523), £5,976,519 was restricted (2018: £3,978,876) and £634,768 was restricted fixed assets (2018: £369,099).

	2019 £	2018 £
Analysis of support costs		
Support staff costs	1,413,280	646,272
Technology costs	25,800	34,305
Premises costs	905,630	424,142
Other support costs	341,694	215,041
Governance costs	136,158	116,873
	<u>2,822,562</u>	<u>1,436,633</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	3,165,242	2,303,920
Social security costs	269,737	195,999
Pension costs	772,757	457,704
Staff costs - employed	4,207,736	2,957,623
Agency staff costs	374,516	131,869
Staff restructuring costs	27,740	56,165
Total staff expenditure	4,609,992	3,145,657

Staff restructuring costs comprise:

Redundancy payments	27,390	22,165
Severance payments	-	34,000
Other restructuring costs	350	-
	27,740	56,165

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018: £34,000).

Staff numbers

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

	2019 Number	2018 Number
Teachers	25	13
Administration and support	59	53
Management	15	9
	99	75

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff (Continued)

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

	2019 Number	2018 Number
Teachers	22	10
Administration and support	59	53
Management	15	9
	<u>96</u>	<u>72</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	1	1
£110,001 - £120,000	1	-
	<u>4</u>	<u>4</u>

Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Academy Trust was £459,173 (2018: £418,569).

10 Central services

No central charges were made by the trust to its academies during the period. However, certain cost recharges for utilities, IT services and use of facilities are made between academies.

The amounts charged during the year were as follows:

	2019 £	2018 £
Trinity Academy Newcastle	81,305	173,250
Trinity Solutions Academy	(22,537)	(173,250)
Trinity Newbridge Academy	(58,768)	-
	<u>-</u>	<u>-</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees were not paid any remuneration nor received any other benefits from employment with the Academy Trust.

The value of trustees' remuneration and other benefits was as follows:

W Curley (CEO) received a salary of £114,539 (2018: £112,293) and employer pension contributions of £nil (2018: £nil).

During the year ended 31 August 2019, travel and subsistence expenses totalling £nil (2018: £608) were reimbursed to no trustees (2018: one trustee).

Related party transactions are set out in note 26.

12 Trustees and officers insurance

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement (RPA), an alternative to insurance where the UK Government funds cover losses that arise. The scheme protects trustee 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 trustee and officer's indemnity element from the overall cost of the RPA scheme.

13 Tangible fixed assets

Group and Company	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2018	11,923,000	116,639	19,283	26,830	12,085,752
Transfer on school joining	6,492,484	-	-	-	6,492,484
Additions	43,200	112,114	-	12,650	167,964
At 31 August 2019	18,458,684	228,753	19,283	39,480	18,746,200
Depreciation					
At 1 September 2018	834,610	58,376	18,023	10,731	921,740
Charge for the year	335,847	33,068	420	6,421	375,756
At 31 August 2019	1,170,457	91,444	18,443	17,152	1,297,496
Net book value					
At 31 August 2019	17,288,227	137,309	840	22,328	17,448,704
At 31 August 2018	11,088,390	58,263	1,260	16,099	11,164,012

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14 Investment in subsidiary

The Academy has a wholly owned subsidiary, Trinity Post 16 Limited, a company limited by guarantee and incorporated and registered in England (company number 09922889). The company provides post 16 LLDD education and pays all of its profits to the Academy by gift aid. A summary of the trading results for the company is shown below.

	2019 £	2018 £
Turnover and other income	182,283	260,750
Cost of sales and administration costs	(143,547)	(182,020)
Operating profit	38,736	78,730
Interest received	12	23
Profit before tax	38,748	78,753
Gift aid distributable to parent	(38,748)	(78,753)
Retained profit	-	-

The assets and liabilities were:

Total assets	4,183	23,702
Total liabilities	(4,183)	(23,702)
Net assets	-	-

15 Debtors	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
	Trade debtors	2,424	-	11,320
Other debtors	130,100	130,100	64,192	64,192
Prepayments and accrued income	103,384	103,384	84,080	84,080
	235,908	233,484	159,592	159,592

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

16 Creditors: amounts falling due within one year

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Trade creditors	40,991	40,991	14,813	14,813
Amounts owed to group undertakings	-	1,759	-	23,702
Other taxation and social security	77,844	77,844	78,585	78,585
Other creditors	56,423	56,423	-	-
Accruals and deferred income	355,078	350,895	194,711	171,009
	<u>530,336</u>	<u>527,912</u>	<u>288,109</u>	<u>288,109</u>

17 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	98,701	93,491
	<u>98,701</u>	<u>93,491</u>
Carrying amount of financial liabilities		
Measured at amortised cost	452,492	209,525
	<u>452,492</u>	<u>209,525</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

Consolidated	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	1,245,020	2,638,336	(2,169,266)	(92,943)	1,621,147
Other DfE / ESFA grants	-	760,466	(760,466)	-	-
Other government grants	-	2,315,809	(2,315,809)	-	-
Other restricted funds	-	337,978	(337,978)	-	-
Pension reserve	(999,000)	(213,000)	(393,000)	(979,000)	(2,584,000)
	<u>246,020</u>	<u>5,839,589</u>	<u>(5,976,519)</u>	<u>(1,071,943)</u>	<u>(962,853)</u>
Restricted fixed asset funds					
Inherited on conversion/ transfer	11,082,260	6,492,484	(368,426)	-	17,206,318
DfE group capital grants	221,370	272,009	(264,377)	-	229,002
Capital expenditure from GAG	58,249	-	(1,965)	92,943	149,227
	<u>11,361,879</u>	<u>6,764,493</u>	<u>(634,768)</u>	<u>92,943</u>	<u>17,584,547</u>
Total restricted funds	<u>11,607,899</u>	<u>12,604,082</u>	<u>(6,611,287)</u>	<u>(979,000)</u>	<u>16,621,694</u>
Unrestricted funds					
General funds	955,143	90,910	(35,935)	-	1,010,118
Designated business enterprise	7,938	18,270	(13,450)	-	12,758
	<u>963,081</u>	<u>109,180</u>	<u>(49,385)</u>	<u>-</u>	<u>1,022,876</u>
Total funds	<u>12,570,980</u>	<u>12,713,262</u>	<u>(6,660,672)</u>	<u>(979,000)</u>	<u>17,644,570</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds (Continued)

Company	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	1,077,096	2,584,340	(2,222,417)	(92,943)	1,346,076
Other DfE / ESFA grants	-	737,651	(737,651)	-	-
Other government grants	-	2,225,202	(2,225,202)	-	-
Other restricted funds	-	337,978	(337,978)	-	-
Pension reserve	(999,000)	(213,000)	(393,000)	(979,000)	(2,584,000)
	<u>78,096</u>	<u>5,672,171</u>	<u>(5,916,248)</u>	<u>(1,071,943)</u>	<u>(1,237,924)</u>
Restricted fixed asset funds					
Inherited on conversion/ transfer	11,082,260	6,492,484	(368,426)	-	17,206,318
DfE group capital grants	221,370	257,142	(264,377)	-	214,135
Capital expenditure from GAG	58,249	-	(1,965)	107,810	164,094
	<u>11,361,879</u>	<u>6,749,626</u>	<u>(634,768)</u>	<u>107,810</u>	<u>17,584,547</u>
Total restricted funds	<u>11,439,975</u>	<u>12,421,797</u>	<u>(6,551,016)</u>	<u>(964,133)</u>	<u>16,346,623</u>
Unrestricted funds					
General funds	1,123,067	141,646	35,343	(14,867)	1,285,189
Designated business enterprise	7,938	18,270	(13,450)	-	12,758
	<u>1,131,005</u>	<u>159,916</u>	<u>21,893</u>	<u>(14,867)</u>	<u>1,297,947</u>
Total funds	<u>12,570,980</u>	<u>12,581,713</u>	<u>(6,529,123)</u>	<u>(979,000)</u>	<u>17,644,570</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds (Continued)

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 costs of the Trust. The Academy Trust is not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE / ESFA grants

Other DfE / ESFA grants include pupil premium, PE teacher grants and post 16 higher needs which was spent in the year.

Other government grants

Other government grants include SEN funding and top up funding which was spent in the year.

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.

Inherited funds

The balance represents the transfer of land and buildings from New Bridge. Depreciation is charged to the fund over the life of the related assets.

Capital expenditure from GAG

The balance represents the total expenditure from GAG. Depreciation is charged to the fund over the life of the related assets.

DfE group capital grants

Capital funding has been received from the DfE for utilisation on building improvements and refurbishments. Where expenditure is capitalised, depreciation will be charged to the fund over the life of the related assets. Repairs expenditure expensed to the fund in year amounted to £259,012.

Unrestricted funds

General funds can be used for any purpose, at the discretion of the trustees, within the objects of the Academy.

Designated business enterprise

Trinity Academy Newcastle has developed a programme of training which supports our staff training development, alongside neighbouring schools and businesses. All funds raised from these activities offset any running costs, whilst supporting a wide range of extended activities and enhancing the quality of learning for our SEMH and Post 16 students.

Transfers

Transfers between funds represent amounts financed from restricted reserves.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds (Continued)

Funds prior year

Consolidated	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	805,080	2,104,493	(1,611,521)	(53,032)	1,245,020
Other DfE / ESFA grants	-	388,809	(388,809)	-	-
Other government grants	-	1,796,546	(1,796,546)	-	-
Pension reserve	(1,221,000)	-	(182,000)	404,000	(999,000)
	<u>(415,920)</u>	<u>4,289,848</u>	<u>(3,978,876)</u>	<u>350,968</u>	<u>246,020</u>
Restricted fixed asset funds					
Transfer on conversion	11,326,161	-	(243,901)	-	11,082,260
DfE group capital grants	10,549	324,850	(114,029)	-	221,370
Capital expenditure from GAG	16,386	-	(11,169)	53,032	58,249
	<u>11,353,096</u>	<u>324,850</u>	<u>(369,099)</u>	<u>53,032</u>	<u>11,361,879</u>
Total restricted funds	<u>10,937,176</u>	<u>4,614,698</u>	<u>(4,347,975)</u>	<u>404,000</u>	<u>11,607,899</u>
Unrestricted funds					
General funds	854,673	128,310	(27,840)	-	955,143
Designated business enterprise	6,463	14,158	(12,683)	-	7,938
	<u>861,136</u>	<u>142,468</u>	<u>(40,523)</u>	<u>-</u>	<u>963,081</u>
Total funds	<u>11,798,312</u>	<u>4,757,166</u>	<u>(4,388,498)</u>	<u>404,000</u>	<u>12,570,980</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds (Continued)

Funds prior year

Company	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	750,240	2,009,780	(1,623,553)	(59,371)	1,077,096
Other DfE / ESFA grants	-	231,034	(231,034)	-	-
Other government grants	-	1,794,623	(1,794,623)	-	-
Pension reserve	(1,221,000)	-	(182,000)	404,000	(999,000)
	<u>(470,760)</u>	<u>4,035,437</u>	<u>(3,831,210)</u>	<u>344,629</u>	<u>78,096</u>
Restricted fixed asset funds					
Transfer on conversion	11,326,161	-	(243,901)	-	11,082,260
DfE group capital grants	10,549	318,511	(114,029)	-	215,031
Capital expenditure from GAG	16,386	-	(11,169)	59,371	64,588
	<u>11,353,096</u>	<u>318,511</u>	<u>(369,099)</u>	<u>59,371</u>	<u>11,361,879</u>
Total restricted funds	<u>10,882,336</u>	<u>4,353,948</u>	<u>(4,200,309)</u>	<u>404,000</u>	<u>11,439,975</u>
Unrestricted funds					
General funds	909,513	234,571	(21,017)	-	1,123,067
Designated business enterprise	6,463	14,158	(12,683)	-	7,938
	<u>915,976</u>	<u>248,729</u>	<u>(33,700)</u>	<u>-</u>	<u>1,131,005</u>
Total funds	<u>11,798,312</u>	<u>4,602,677</u>	<u>(4,234,009)</u>	<u>404,000</u>	<u>12,570,980</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds (Continued)

Total funds analysis by academy

	2019	2018
	£	£
Fund balances at 31 August 2019 were allocated as follows:		
Trinity Academy Newcastle	1,410,945	1,106,571
Trinity Solutions Academy	964,321	1,101,530
Trinity Post 16 Solutions (Limited company)	-	-
Trinity Newbridge Academy	268,757	-
	<u>2,644,023</u>	<u>2,208,101</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	17,584,547	11,361,879
Pension reserve	(2,584,000)	(999,000)
	<u>17,644,570</u>	<u>12,570,980</u>
Total funds	<u><u>17,644,570</u></u>	<u><u>12,570,980</u></u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation and LGPS charges	Total 2019	Total 2018
	£	£	£	£	£	£
Trinity Academy Newcastle	1,412,522	1,268,407	117,810	645,448	3,444,187	3,363,706
Trinity Solutions Academy	-	369,120	117,503	482,284	968,907	450,575
Trinity Post 16 Solutions (Limited company)	-	69,169	49,634	24,744	143,547	182,020
Trinity Newbridge Academy	607,781	518,993	16,575	356,989	1,500,338	-
	<u>2,020,303</u>	<u>2,225,689</u>	<u>301,522</u>	<u>1,509,465</u>	<u>6,056,979</u>	<u>3,996,301</u>
	<u><u>2,020,303</u></u>	<u><u>2,225,689</u></u>	<u><u>301,522</u></u>	<u><u>1,509,465</u></u>	<u><u>6,056,979</u></u>	<u><u>3,996,301</u></u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	17,448,704	17,448,704
Current assets	1,043,426	2,130,933	135,843	3,310,202
Creditors falling due within one year	(20,550)	(509,786)	-	(530,336)
Defined benefit pension liability	-	(2,584,000)	-	(2,584,000)
Total net assets	1,022,876	(962,853)	17,584,547	17,644,570
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	11,164,012	11,164,012
Current assets	963,081	1,533,129	197,867	2,694,077
Creditors falling due within one year	-	(288,109)	-	(288,109)
Defined benefit pension liability	-	(999,000)	-	(999,000)
Total net assets	963,081	246,020	11,361,879	12,570,980

20 Contingent liabilities

In the event that during the period of the funding agreement, the Academy sells or disposes of any asset for which a capital grant was received, the Academy shall repay the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy for its charitable purposes.

21 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the financial statements	-	209,866

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	983	983
Amounts due between one and five years	321	983
	<u>1,304</u>	<u>1,966</u>

Operating leases relate to the rental of vehicles and office equipment.

23 Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	6,052,590	368,668
Adjusted for:		
Net surplus on transfer of academy in the trust	(6,617,462)	-
Capital grants from DfE and other capital income	(272,009)	(324,850)
Interest receivable	(1,535)	(1,200)
Defined benefit pension scheme costs less contributions payable	364,000	154,000
Defined benefit pension scheme finance cost	29,000	28,000
Depreciation of tangible fixed assets	375,756	257,754
Movements in working capital:		
(Increase)/decrease in debtors	(36,918)	40,797
Increase in creditors	242,227	80,576
Net cash provided by operating activities	<u>135,649</u>	<u>603,745</u>

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 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 Newcastle County 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 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

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

The actuarial valuation has not yet been published therefore the details of the prior valuation are still reflected below.

The valuation report was published in June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits of £191,500 million, and notional assets (estimated future contributions together with the proceeds for the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

Whilst the actuarial valuation has not been published it has been published that the determined employer rate will increase to 23.68 from 16.48% (including a 0.08% administration fees), and is payable from September 2019.

The employer's pension costs paid to the TPS in the period amounted to £194,935 (2018: £124,704).

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Pension and similar obligations (Continued)

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.9% for employers and 5.5% to 12.5% for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

Total contributions made	2019	2018
	£	£
Employer's contributions	211,000	179,000
Employees' contributions	84,000	69,000
Total contributions	<u>295,000</u>	<u>248,000</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019	2018
	%	%
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions in payment/inflation	2.0	2.0
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	<u>2.0</u>	<u>2.0</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

25 Pension and similar obligations (Continued)

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	21.9	22.9
- Females	25.1	26.4
Retiring in 20 years		
- Males	23.6	25.1
- Females	26.9	28.7

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

	2019 Fair value £	2018 Fair value £
Equities	2,928,000	2,436,000
Government bonds	183,000	144,000
Corporate bonds	509,000	404,000
Cash	94,000	79,000
Property	384,000	307,000
Other assets	371,000	239,000
Total fair value of assets	4,469,000	3,609,000

The actual return on scheme assets was £223,000 (2018: £254,000).

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	379,000	324,000
Net interest cost	29,000	28,000
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	196,000	9,000
Total operating charge	604,000	361,000

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

25 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2019 £
At 1 September 2018	4,608,000
Obligations acquired on transfer (note 28)	636,000
Current service cost	379,000
Interest cost	142,000
Employee contributions	84,000
Actuarial loss/(gain)	1,089,000
Benefits paid	(81,000)
Past service cost	196,000
	<hr/>
At 31 August 2019	7,053,000
	<hr/> <hr/>

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

	2019 £
At 1 September 2018	3,609,000
Assets acquired on transfer (note 28)	423,000
Interest income	113,000
Return on plan assets (excluding net interest on the net defined pension liability)	110,000
Employer contributions	211,000
Employee contributions	84,000
Benefits paid	(81,000)
	<hr/>
At 31 August 2019	4,469,000
	<hr/> <hr/>

26 Related party transactions

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures, except unless otherwise stated.

Key management personnel compensation disclosure is included in note 9.

At 31 August 2019, Trinity Academy Newcastle owed £1,759 (2018: £23,702) to its wholly owned subsidiary Trinity Post 16 Solutions Limited.

27 Agency arrangements

The Academy distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the year the Academy received £23,314 and disbursed £23,314 from the fund. An amount of £nil (2018: £nil) is included in other creditors relating to distributable funds that is repayable to the ESFA.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

28 Transfer of existing academies into the academy trust

On 1 December 2018, Trinity New Bridge Academy transferred into the Trust from Ascent Academies Trust.

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 values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from another Academy Trust into the Trust.

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.

Net assets acquired	Transfer in recognised £
Leasehold land and buildings	6,492,484
Cash and cash equivalents	337,978
Pension scheme	(213,000)
Total net assets	<u>6,617,462</u>

There were no fair value adjustments required to the values reported by the transferring trust.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TRINITY ACADEMY NEWCASTLE AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 20 July 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by Trinity Academy Newcastle during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2018 to 2019 Part 9: Regularity Reporting. We are independent of Trinity Academy Newcastle in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Trinity Academy Newcastle's accounting officer and trustees

The accounting officer is responsible, under the requirements of Trinity Academy Newcastle's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Trinity Academy Newcastle and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 September 2018 to 31 August 2019 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TRINITY ACADEMY NEWCASTLE AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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 the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2018 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2018 to 2019.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Trinity Academy Newcastle and the ESFA in accordance with the terms of our engagement letter dated 20 July 2017. Our work has been undertaken so that we might state to the Trinity Academy Newcastle and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Trinity Academy Newcastle and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Chartered accountants
1 St. James' Gate
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NE1 4AD

Dated:13/12/19..
