

**Company Registration No: 08449062 (England and Wales)**

**TRINITY ACADEMY NEWCASTLE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED TO 31 AUGUST 2018**

**TRINITY ACADEMY NEWCASTLE**  
**REFERENCE AND ADMINISTRATIVE DETAILS**

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Members	P Carter L Ellison (Resigned 27 February 2018) K Meikle (Appointed 16 March 2018) J Suter (Appointed 16 March 2018) S Jeavons (Appointed 16 March 2018) A Calder (Resigned 28 November 2017)	
Trustees	*L Ellison (Resigned 27 February 2018) *S Elliott (Vice chair) (Resigned as a Member 16 March 2018) C Black (Resigned 19 January 2018) K Meikle (Resigned as Trustee 15 March 2018) W Curley (Accounting Officer) *S Willmott *P Carter (Chair) J Calvert (Resigned 18 May 2018) Z Edmonds J Marshall (Resigned 31 August 2018) S Jeavons (Resigned as Trustee 15 March 2018) *J Smith (Resigned 16 November 2017) J Suter (Resigned as Trustee 15 March 2018) L Briggs (Appointed 16 July 2018) M A Curtis (Appointed 16 July 2018) *N V Greenley (Appointed 16 July 2018)	
Company directors – TPSL	*P Carter D Edmondson	
Members of the Finance and Audit Committee	*Members of the Finance, Audit & Premises Committee	
Company secretary	J Renwick	
MAT Executive Leadership Team	<ul style="list-style-type: none"> <li>• CEO</li> <li>• Acting Headteacher</li> <li>• Head of School (Business)</li> <li>• Head of School (Pastoral)</li> <li>• Head of School (Teaching &amp; Learning &amp; Post 16)</li> </ul>	
	W Curley P Tully J Renwick M Flint  L McNally	
<b>Academies operated</b>	<b>Location</b>	<b>Principal</b>
Trinity Academy Newcastle	Newcastle upon Tyne	M Flint
Trinity Solutions Academy	Newcastle upon Tyne	L McNally
Registered office	Condercum Road Newcastle upon Tyne NE4 8XJ	
Company registration number	08449062 (England and Wales)	

**TRINITY ACADEMY NEWCASTLE**  
**REFERENCE AND ADMINISTRATIVE DETAILS**

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Independent Auditor	RSM UK Audit LLP 1 St James' Gate Newcastle Upon Tyne NE1 4AD
Bankers	Lloyds Bank PLC 102 Grey Street Newcastle upon Tyne NE99 1SL
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle Upon Tyne NE1 3DX

**TRINITY ACADEMY NEWCASTLE**  
**TRUSTEES' REPORT (continued)**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Trinity Academy Newcastle, trading as Trinity Academy Newcastle Trust, operates two academies and a private limited company.

- Trinity Academy Newcastle – Special Academy – Educates pupils 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. It has a pupil capacity of 160 and a roll of 166 students in the school census in May 2018.
- Trinity Solutions Academy – Post 16 Mainstream Academy provides vocational study programme for learners aged 16-19 serving a regional wide catchment area. It has a learner capacity of 98 which includes 10 higher needs commissioned places and had a roll of 87 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 offering bespoke educational programmes to 19-25 learners with learning disabilities (LLDD) learners serving a regional wide catchment area. It has a learner capacity of 18 and had a roll of 12 learners on the ILR return (R013 Return). The company has been actively working with the Local Authority throughout the year to increase learner numbers.

**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 trustees of the charitable company for the purposes of company law. The charitable company is known as Trinity Academy Newcastle Trust.

Details of the trustees who served during the year and after the year end 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 Directors' indemnity provisions are detailed in Note 12 of the financial statements.

**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 Trust shall not exceed one third of the total number of Trustees.

51. Not used.

**TRINITY ACADEMY NEWCASTLE**  
**TRUSTEES' REPORT (continued)**

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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 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.

#### **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'.
- Organisational chart including staffing responsibilities.
- Last Ofsted reports.
- Copy of the SIS.
- 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).

**TRINITY ACADEMY NEWCASTLE**  
**TRUSTEES' REPORT (continued)**

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- The Code of Conduct for Trustees.
- A copy of the latest Headteacher report.
- 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 One Drive.
- 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 Modern Governor (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 school 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.

### **Organisational Structure**

The Management structure consists of four levels; the Board of Directors, 3 committees, the Local Advisory Groups, the 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 Directors 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 Group undertakes a consultative role and advises the Chief Executive and the Board in respect of matters relating to each individual organisation.

Trinity Academy Newcastle MAT Executive Leadership Team consists of the Chief Executive Officer, 1 Acting Head teacher and 4 heads of school. 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 organisation's Senior Leadership Team is responsible for the day to day operation, and in collaboration also support the wider network and objectives of the Trust.

## TRINITY ACADEMY NEWCASTLE

### TRUSTEES' REPORT (continued)

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#### 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 Directors 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 Directors.

#### Trade union facility time

##### Relevant union officials

Number of employees who were relevant union officials during the relevant period -  
Full-time equivalent employee number -

##### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

##### Percentage of pay bill spent on facility time

Total cost of facility time -  
Total pay bill -  
Percentage of total pay bill spent on facility time -

##### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours -

#### Related Parties and co-operation with other organisations

There are no related parties which either control or significantly influence the decisions and operations 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.

#### 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 is committed to the professional development of its Board of Directors 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 learners an appropriate grounding in literacy and numeracy.
- Prepare all 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.

## TRINITY ACADEMY NEWCASTLE

### TRUSTEES' REPORT (continued)

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- 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
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

#### **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. The Executive and Senior Leadership Teams and Board of Trustees have worked together to analyse sophisticated performance data, identified key school improvement priorities and ensured that plans have been implemented and regularly evaluated. The board of trustees periodically review its strategic objectives including the Trust's educational character and mission.

We were successful in the application for MDIF funding, which will accelerate our plan to delivery a cycle of continual professional development to motivate and develop Leadership and Management capacity across all academies within the Trust.

The Trust will provide access to programmes

	<p>linked to the National Professional Qualification for Middle Leaders (NPQML). Trinity will support the progression of staff to headship through the National Professional Qualification for Headship (NPQH), also the National Professional Qualification for Senior and Executive Leaders (NPQS/EL) leadership programmes that focus on leadership, executive leadership academy-academy and across a Trust.</p>
School improvement	<p>The Trust is committed to promoting a positive culture which strives for excellence and in doing so changes lives daily; we have a strong strategic commitment to staff development, wellbeing and succession planning.</p> <p>The Trust 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 pupils, leadership, governance, attendance, behaviour, teaching and learning, assessment or variability in performance.</p> <p>The model brings about rapid improvement, builds capacity and maximises the use of school to school support whilst articulating high expectations of both teachers and learners.</p> <p>Taking on two additional schools will help build efficiency and capacity to deliver its school improvement model across the trust.</p>
Effectiveness	<p>The Board and senior leaders have developed a comprehensive clear, consistent and effective teacher and support staff appraisal / performance management system. We have implemented a new, more flexible, differentiated and engaging curriculum offer in September 2018. The rationale for this, the fact that too many of our students are persistent absentees (attendance below 90%), as well as a recognition that this is, in part, a result of a lack of engagement and interest in the current offer.</p>
Raising Standards of educational achievements of all learners	<p>See achievements and performance section.</p>

## TRINITY ACADEMY NEWCASTLE

### TRUSTEES' REPORT (continued)

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Expand the number of academies in the Trust

We are particularly keen to identify schools in the North East region to join our Trust.

TAN MAT has been recognised for its school to school support in a Sunderland school and have recently been successful in an application to sponsor. Sponsorship has been agreed and is anticipated to be received in December 2018. The CEO and CFO actively take part in sponsor networking opportunities delivered by the ESFA. An application for MAT Development Fund was successful which will support the Trust in sponsorship of a further academy before March 2019.

#### **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.

#### **STRATEGIC REPORT**

##### **Achievements and Performance**

During the period 1<sup>st</sup> September 2017 to 31 August 2018, the Trust has had two Ofsted Inspections. One being Trinity Academy Newcastle in February 2018 and the other being Trinity Post 16 Solutions Limited in April 2018. The following describes the most recent Ofsted evaluations of each Academy / company:

- Ofsted evaluated Trinity Academy Newcastle as retaining Good with Outstanding features. Key findings from the report state leaders have introduced a number of initiatives to encourage good attendance and Trustees are ambitious for the Academy and its pupils. Along with the year on year increase of pupils gaining GCSE qualifications.
- Ofsted evaluated Trinity Post 16 Solutions Limited as Good across all areas. Key findings from the report state leaders and managers have successfully established a high-quality provision for learners who have high needs. A high proportion of learners move onto supported internships or employment. Also, that teachers provide challenging practical work and ambitious targets.

The Trust has been successful in securing Capital Improvement Funds from the Educational and Skills Funding Agency (ESFA) for Trinity Academy Newcastle and Trinity Solutions Academy. This has resulted in enhancing and developing the Academy's security, through installing additional stronger fencing around the sites and installing more secure barriers at the entrance of each site. 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 will assist the Board and the Leadership in preparing the building blocks to extend the Trust over the next few years.

Confirmation of the quality of the Trust's Leadership and Management and, in particular, its management of change and development is reflected in two awards gained/retained: The Leading Parent Partnership Award and Better Health at Work Award.

## TRINITY ACADEMY NEWCASTLE

### TRUSTEES' REPORT (continued)

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The Leadership Team has worked relentlessly in embedding digital technology into the classroom. Heavy investment has been made in purchasing tablets for all teachers and students, along with digital screens. As part of the training cycle, staff have received regular training sessions internally and externally. Digital technology also forms part of the scheduled lesson observations. 39% of teachers were awarded outstanding across the Trust and 52% awarded good. The Trust has also implemented a clear process for moderation and termly reporting.

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.

A priority for the Trust has been developing a mental health improvement plan, the Trust has been successful in appointing mental health first aiders and delivering a range of training sessions and programmes to staff and students. The Trust has also been effective in employing its first psychologist to work with students and families in providing direct psychological therapy, training and consultation. As well as the psychologist, the Trust has formed links with the local university to offer experience to trainee psychologists.

#### Trinity Academy Newcastle

- Attendance – 68% of our students have improved their attendance since joining the Academy.
- Behaviour – Overall proportion of pupils involved in incidents continued to reduce.
- Achievement KS4 – 38% of students achieved a GCSE in English and Maths. Over 45% of the students achieved standards expected for their age in English, Maths, Biology or Art GCSEs.
- Achievement KS2 – There have been improvements in scaled scores in Reading, GPS and Maths compared to previous years. Also, improvements in students reaching expected standard in all standardised testing.
- Pupil Premium – Higher proportion of Pupil Premium students achieved five plus GCSEs'.

#### Trinity Solutions Academy

- Attendance – Trinity Solutions Academy achieved 89% (over 39 weeks) previously 90% over 52 weeks.
- Achievement – Trinity Solutions Academy achieves a 77% retention rate and an 89% pass rate.
- Progression - Trinity Solutions Academy achieves its highest ever progression rate currently 77%.

#### Trinity Post 16 Solutions Limited

- Attendance – Trinity Post 16 Solutions Limited had a record high attendance of 97% in 2016/17 and improved for 17/18 with 99%.
- Achievement – Trinity post 16 solutions Ltd achieved an 80% retention rate.
- Progression - 100% of students attending Trinity Post 16 Solutions Limited progressed onto employment or further education.

#### **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 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

## TRINITY ACADEMY NEWCASTLE

### TRUSTEES' REPORT (continued)

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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, £15,638 was received in respect of Devolved Formula Capital grants. The Trust also received £309,212 of Conditional Improvement Funding.

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 directors of the Limited Company agreed that any surplus as of 31 August 2018 will be gifted to Trinity Solutions Academy.

During the year ended 31 August 2018 total income of £4,757,166 (2017: £4,633,728) was received and total expenditure of £4,388,498 (2017: £4,726,567) was incurred. The excess of total income over expenditure for the year (including other gains/losses) was £772,668 (2017: £566,161).

#### Financial and risk management objectives and policies

The Trust is subject to a number of risks and uncertainties in common with other academies and has in place procedures to identify, record and mitigate all risks including financial risk. The Trustees have assessed the major risks to which the Trust is exposed. A risk register is maintained and updated on an annual basis. The Trust has a number of policies and procedures in place to mitigate the likelihood and impact of identified potential risks.

The principal risks relate to academic performance and cover all areas of teaching and learning, safeguarding and provision of facilities. The Trust has a number of improvement plans, and a robust performance management strategy to mitigate these risks.

Another key risk faced by the Trust continues to be the financial impact of falling student numbers within the Post 16 Academy. Strategies have been put in place to minimise the risk, they include forming partnerships with surrounding Local Authorities, local communities and local businesses. Whilst increasing advertising, strengthening the marketing strategy and widening the curriculum.

The principal uncertainty relates to the funding methodology and the potential for a detrimental change which combined with the increasing employment costs (pay awards and pension) pressures would be extremely serious for the Trust.

Key financial policies have been adopted and reviewed throughout the year. These detail the framework for financial management, including financial responsibilities of the Board, CEO and budget holders, as well as outlining the authority for spending. Finances are reviewed throughout the year by the finance, audit and resources committee, evaluating performance against budgets and overall expenditure.

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

#### **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.

**TRINITY ACADEMY NEWCASTLE**  
**TRUSTEES' REPORT (continued)**

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The key policy principles which underpins the Trust's 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 Trust's 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 (£738k) to six months' (£1,176k) Trust salaries - Average Monthly Trust Salary £246k.

The Trust's current level of free reserves (before fixed asset fund and pension reserve) are £963k. The Trust currently holds just over five months Trust salaries including supply salaries.

As the available reserves are higher than the target reserves, the Board has committed the following reserve expenditure, against a review of the Trusts priorities and strategic plan.

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

2018 – 2019 - £356k – Free reserves for £110k MAT Development, £60k Digital Skills/ Capability investment, £150k Premise Development Investment including Asbestos Removal and £36,000 for Post 16 pilot programmes to help increase student numbers.

2019 – 2020 - £320k – Free reserves for £110k MAT Development, £60k ICT investment 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/ committeemen's 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 Directors. 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.

**Key financial 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 is pleased to report that all of the academies within the Trust made good progress against the key achievement and performance areas during 2017-2018. Due to this, Ofsted rated the Trust as being 'Good with Outstanding features' in February 2018.

## TRINITY ACADEMY NEWCASTLE

### TRUSTEES' REPORT (continued)

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In relation to exam results, the Trinity Academy Newcastle exceeded expectations with students achieving seven or more qualifications including five GCSE's. Whilst Trinity Solutions Academy and Trinity Post 16 Solutions Limited achieved GCSE's results higher than national averages.

In terms of attendance, all academies and company sustained their focus on ensuring that all students and learners have good attendance; resulting in record high attendance stats.

In relation to the Business Enterprise element of the Trust, course bookings and lettings are at its highest since commencing, with courses such as Midas being a massive success. Along with the financial benefit, the Trust has also been able to market itself around the Tyne and Wear area and improve its reputation.

Within the academic year, the Trust was also successful in gaining approval to become a sponsor. The Board of Directors are keen to move forward with this and is actively seeking potential opportunities.

The Trust uses the following factors for benchmarking purposes:

Ratio of pupils to adults

	<b>National</b>	<b>Trinity</b>
Qualified teachers within school	1.7	1.8
Qualified and unqualified teachers within school	1.6	1.6
Adults within school	1.2	1.3

Contract ratio ASCL advocates 0.78 as an aspirational target for ratio; Trinity has a ratio of 0.73 (2017: 0.73).

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

- FFT (Key stages 2 & 4)
- ASP
- Prior Attainment
- 3/+ sub stages of progress between years
- Trackers / End of unit assessments

#### **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**

The aims and objectives for future periods will continue to be those outlined in Objectives, Strategies and Activities as above.

#### **Fundraising**

Trinity Academy Newcastle does the majority of its fundraising in house through raffles etc. At the start of 2018, the Trust launched a just giving page, however donations have been limited.

**TRINITY ACADEMY NEWCASTLE**  
**TRUSTEES' REPORT (continued)**

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**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 have 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 11 December 2018 and signed on its behalf by:



**P Carter**  
**Chair**

**TRINITY ACADEMY NEWCASTLE**  
**GOVERNANCE STATEMENT (continued)**

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Ellison (Resigned 27 February 2018)	3	3
S Elliott (Vice chair)	5	5
C Black (Resigned 19 January 2018)	2	2
W Curley (Accounting Officer)	4	5
Z Edmonds	5	5
J Marshall (Resigned 31 August 2018)	4	5
P Carter (Chair)	5	5
S Wilmott	4	5
J Calvert (Resigned 18 May 2018)	3	4
D Edmondson	5	5
N V Greenley (Appointed 16 July 2018)	1	1
L Briggs (Appointed 16 July 2018)	1	1
M A Curtis (Appointed 16 July 2018)	1	1
J Smith (Resigned 16 November 2017)	0	1
K Meikle (Resigned 15 March 2018)	0	3
S Jeavons (Resigned 15 March 2018)	0	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 number of skill sets in which the Board of lacking, following this the Trust went out to advert for these posts. The Trust has been successful in recruiting and replacing a numbers of Trustees with a range of skill sets throughout the year. As the Trust is looking to further grow, the Board has reviewed and amended its current structure to include Local Advisory Boards. The purpose of these Boards will be to focus and scrutinise student data in-depth and hold the Academies to account.

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 Trust.

In order to support the Trusts future growth, the Board of Trustees along with the Senior 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)**

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The Board of Trustees appointed Newcastle City Council to conduct a review of governance within the Academic year. The report highlighted the following strengths were evident:

- Outcomes from a skills audit had been used to recruit new Trustees with particular skills required for an effective Board.
- Trustees could cite an example of finance training being organised as a result of the skills audit.
- Everyone felt that Trustees understood their role and responsibilities and their strategic function.
- Everyone felt the clerking of the Board and Committee meetings was effective and that they received good advice and support.
- The size, composition and structures of the Board were generally felt to work well and meet the needs of the Trust and the Board. Attendance and commitment were good.
- Trustees did complete online training / development through the NGA online training service provided by the Trust.
- All felt that the Chair showed strong leadership.
- All agreed that there was strong, effective work done around vision, ethos and strategic planning. Monitoring and evaluation were strong. Trustees were involved with this and were ambitious for the learners. The values of inclusion were strong and understood by the Board.
- Board meeting agendas reflected the Trust's priorities.
- Trustees were confident about the process for managing the Trust's budget and that resources were well used.
- Trustees felt they received good, high quality information about all aspects of the Trust's performance which allowed them to fulfil their role. The information was felt to be pitched at the right level and "not too much".
- Most Trustees understood the performance data.
- Trustees visited regularly and there was a system of link Trustees and reporting back.
- Policies were reviewed regularly.
- Thought was given to the impact of governance.
- Most Trustees understood that performance management was robust and linked to the Trust's policies.

Some issues that emerged:

- Trustees expressed that they would like more financial and risk training.
- Links with stakeholders.
- Links with other Boards – possibilities for sharing good practice.
- Visits to be more focused on the Trust's priorities.
- More thought needed on the impact of governance and Trustees on outcomes etc.

Following the review, the Board of Trustees decided to introduce the Local Advisory Boards to the Governance structure. These Board's will play a key role in supporting the Trinity Academy Newcastle Board to fulfil their regulatory duties by providing local scrutiny. Particular focus is given to:

- Implementation of the School Improvement plan and school curriculum.
- Implementation of the Trust's safeguarding policy.
- Teaching and Learning – including Homework.
- Learner cohort performance tracking.
- Curriculum review.
- Attainment and progress reports – including pupil premium.
- Attendance and behaviour reports.
- Marketing and relationships with all local stakeholders.

Also, the Board of Trustees concluded that Trustees would be assigned to particular Academies / Company rather than having areas of responsibilities; this would strengthen the leadership and management of the Academies, whilst enhancing the scrutiny and challenge.

**TRINITY ACADEMY NEWCASTLE**  
**GOVERNANCE STATEMENT (continued)**

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The Trust provided risk management training to the Board of Trustees in March 2018, delivered by RSM. Also more financial training has been organised for autumn and spring term 18/19.

The Board of Trustees has strengthened its links with other Boards, by conducting chair meetings with surrounding Trusts. The Chair of the Board has signed up for the Chair of Governance Leadership Development Programme; this will assist in partnership working and sharing good practice.

The Finance, Audit & Premises Committee is a sub-committee of the main board of trustees. The responsibilities of the Finance, Audit & Premises Committee are:

- 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 Directors.
- 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:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Ellison (Resigned 17 February 2018)	4	4
S Elliott	8	8
W Curley (Accounting Officer)	8	8
D Edmondson	6	8
P Carter (Chair)	8	8
S Willmott	8	8
J Smith (Resigned 16 November 2017)	0	2

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

**TRINITY ACADEMY NEWCASTLE**  
**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Ellison (Resigned 27 February 2018)	1	1
J Calvert (Resigned 18 May 2018)	2	2
C Black (Resigned 19 January 2018)	1	1
W Curley	3	3
Z Edmonds	3	3
P Carter (Chair)	3	3

**Review of Value for Money**

As accounting officer, the CEO 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 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 Trust has delivered improved value for money during the year by:

**Improving Educational Outcomes**

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

- Offering an exciting and diverse curriculum ensuring all students have had the opportunity to raise their individual levels of attainment.
- Students accessed specialist equipment, provision of vocational opportunities and work experience, along with bespoke alternative education where necessary.
- Students accessed outdoor education as part of a broad and balanced curriculum, which helped to increase attendance.
- The Trust offered the Power of Choice incentive, to assist with student 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 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, Academies and authorities. These funds assisted in offsetting salaries and educational costs.

**Financial Performance**

With increasing budget pressures, the Trust strives to focus on value for money and ensuring every penny is spent enhancing the pupils experience and outcomes. During the year, the following was achieved:

- The Trust submitted three CIF bids to the ESFA, of which two were successful. The two successful bids, will aid in enhancing the security of the sites and improve the safeguarding of the young people. (Trinity Solutions Academy: £205,194 replacement of barriers and fencing, Trinity Academy Newcastle: £104,018 enhancement of fencing around the site).
- Participation in the Newcastle City Council EA16 Central Government procurement tender for ICT equipment such as Tablets.

**TRINITY ACADEMY NEWCASTLE**  
**GOVERNANCE STATEMENT (continued)**

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- The Trust conducted a review of the curriculum and staffing in line with decreasing budgets and a reduction of post 16 learners. The level of Post 16 staffing was reduced by one TSO MV and one TSO employability.
- The Trust decided to end the Local Authority cleaning contract in December 2018, so that the Trust to employ Facility Operatives. Due to this posts, the Trust was able to deploy the staff to cover the cleaning elements as well as carry out premise duties. Reducing the costs of bring in external contractors for the repairs.
- A review of all maintenance contracts were conducted in May 2018 and the Trust decided to streamline contracts, resulting in cost savings.
- Purchase of new mini buses - Prior to purchasing the new mini buses; the Trust spent increasing funds on hiring mini buses from a private company. Due to these costs, the Trust was not able to participate in all offsite activities as planned. Since purchasing the mini buses the Trust has increased offsite activities increasing attendance/ engagement.
- A review of the Post 16/19 sub-contractors took place, following this the Trust decided to bring majority of the study programme in house and not to extend certain contractors.
- 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.
- In February the Trust carried out a review of the payroll and HR contracts. The Trust decided to enter into a new HR contract with AVEC, as the contract provided more support, flexibility and an enhanced service.

**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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board has reviewed the key risks to which the 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 trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

**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

**TRINITY ACADEMY NEWCASTLE**  
**GOVERNANCE STATEMENT (continued)**

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- identification and management of risks.

The Board of Directors 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 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 CEO 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 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 members of the Board on 11 December 2018 and signed on its behalf by:



**P Carter**  
**Chair**



**W Curley**  
**Accounting Officer**

**TRINITY ACADEMY NEWCASTLE**

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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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 ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust 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 2017.

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

  
W Curley  
Accounting Officer

11/12/18

**TRINITY ACADEMY NEWCASTLE**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The trustees (who act as directors of Trinity Academy Newcastle the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

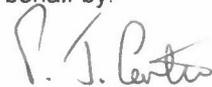
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 11 December 2018 and signed on its behalf by:



P Carter  
Chair

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TRINITY ACADEMY NEWCASTLE  
YEAR ENDED 31 AUGUST 2018**

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**Opinion on charitable company**

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 2018 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TRINITY ACADEMY NEWCASTLE  
YEAR ENDED 31 AUGUST 2018**

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**Opinions on other matter 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 which includes the Directors' Report and 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 Strategic Report included within the Trustees' Report have been prepared in accordance with the applicable legal requirements.

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

In the light of the knowledge and understanding of the group and parent 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the 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 22, the trustees (who act as directors for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable to 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 group's and parent 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 group or the parent 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TRINITY ACADEMY NEWCASTLE  
YEAR ENDED 31 AUGUST 2018**

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**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.

*L. Robson*

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

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TRINITY ACADEMY NEWCASTLE  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted Funds £	Restricted General £	Restricted Fixed Asset £	Total 2018 £	Total 2017 £
<b>Incoming and endowments from:</b>						
Donations and capital grants	3	-	-	324,850	324,850	13,232
Charitable activities:						
- Funding for educational operations	4	-	4,289,848	-	4,289,848	4,565,146
Other trading activities	5	141,268	-	-	141,268	54,299
Investments	6	1,200	-	-	1,200	1,051
<b>Total</b>		<u>142,468</u>	<u>4,289,848</u>	<u>324,850</u>	<u>4,757,166</u>	<u>4,633,728</u>
<b>Expenditure on:</b>						
Charitable activities						
- Educational operations	8	<u>40,523</u>	<u>3,978,876</u>	<u>369,099</u>	<u>4,388,498</u>	<u>4,726,567</u>
<b>Total</b>	7	<u>40,523</u>	<u>3,978,876</u>	<u>369,099</u>	<u>4,388,498</u>	<u>4,726,567</u>
<b>Net income / (expenditure)</b>		101,945	310,972	(44,249)	368,668	(92,839)
Transfers between funds	19	<u>-</u>	<u>(53,032)</u>	<u>53,032</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains / (losses)</b>						
Remeasurement of net defined benefit obligations	24	<u>-</u>	<u>404,000</u>	<u>-</u>	<u>404,000</u>	<u>659,000</u>
<b>Net movement in funds</b>		101,945	661,940	8,783	772,668	566,161
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>861,136</u>	<u>(415,920)</u>	<u>11,353,096</u>	<u>11,798,312</u>	<u>11,232,151</u>
Total funds carried forward		<u>963,081</u>	<u>246,020</u>	<u>11,361,879</u>	<u>12,570,980</u>	<u>11,798,312</u>

## TRINITY ACADEMY NEWCASTLE

(Company Number 08449062)

## BALANCE SHEETS

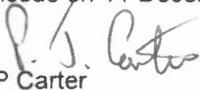
AT 31 AUGUST 2018

	Note	Group 2018 £	Company 2018 £	Group 2017 £	Company 2017 £
<b>Fixed assets</b>					
Tangible assets	13	11,164,012	11,164,012	11,353,096	11,353,096
		<u>11,164,012</u>	<u>11,164,012</u>	<u>11,353,096</u>	<u>11,353,096</u>
<b>Current assets</b>					
Debtors	15	159,592	159,592	200,389	200,389
Cash at bank and in hand		2,534,485	2,534,485	1,673,360	1,673,360
		<u>2,694,077</u>	<u>2,694,077</u>	<u>1,873,749</u>	<u>1,873,749</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(288,109)	(288,109)	(207,533)	(207,533)
		<u>2,405,968</u>	<u>2,405,968</u>	<u>1,666,216</u>	<u>1,666,216</u>
<b>Net current assets</b>					
		<u>13,569,980</u>	<u>13,569,980</u>	<u>13,019,312</u>	<u>13,019,312</u>
<b>Net assets excluding pension liability</b>					
Defined benefit pension scheme liability	24	(999,000)	(999,000)	(1,221,000)	(1,221,000)
		<u>12,570,980</u>	<u>12,570,980</u>	<u>11,798,312</u>	<u>11,798,312</u>
<b>Net assets</b>					
<b>Funds of academy trust:</b>					
<b>Restricted funds</b>					
- Restricted fixed asset funds	19	11,361,879	11,361,879	11,353,096	11,353,096
- Restricted income funds	19	1,245,020	1,077,096	805,080	750,240
- Pension reserve		(999,000)	(999,000)	(1,221,000)	(1,221,000)
		<u>11,607,899</u>	<u>11,439,975</u>	<u>10,937,176</u>	<u>10,882,336</u>
<b>Total restricted funds</b>					
<b>Unrestricted income funds</b>	19	<u>963,081</u>	<u>1,131,005</u>	<u>861,136</u>	<u>915,976</u>
<b>Total funds</b>					
		<u>12,570,980</u>	<u>12,570,980</u>	<u>11,798,312</u>	<u>11,798,312</u>

The notes on pages 29 to 52 form part of these financial statements.

The results of the unconsolidated entity charity are total income for the year of £4,602,677 (2017: £4,386,382) and net incoming resources for the year of £368,668 (2017: £92,839 net outgoing resources).

These financial statements on pages 26 to 52 were approved by the Board of Trustees and authorised for issue on 11 December 2018 and signed on their behalf by:

  
P Carter  
Chair

11/12/18

**TRINITY ACADEMY NEWCASTLE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	603,745	364,954
<b>Cash flows from investing activities</b>			
Interest from investments		1,200	1,051
Capital grants from DfE		324,850	13,232
Purchase of tangible fixed assets		(68,670)	(30,102)
Net cash provided by / (used in) investing activities		257,380	(15,819)
<b>Net increase in cash and cash equivalents in the reporting period</b>		<b>861,125</b>	<b>349,135</b>
Cash and cash equivalents at beginning of the year		1,673,360	1,324,225
<b>Cash and cash equivalents at end of the year</b>		<b>2,534,485</b>	<b>1,673,360</b>

**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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Trinity Academy Newcastle meets the definition of 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 financial currency of the Trust.

Monetary amounts in these financial statements are rounded to the nearest £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.

**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 2018. Profits or losses on intra-group transactions are eliminated in full.

**Income**

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

**1 Accounting policies (continued)**

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 hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the 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'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 apportioned to charitable activities.

**Tangible fixed assets and depreciation**

Tangible fixed assets costing £1,000 or more (machinery, equipment and vehicles) and £10,000 or more (Land, Buildings and improvements) are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

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

**1 Accounting policies (continued)**

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

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.

**Fixed asset investments**

Fixed asset investments are carried at historical cost less any provision for impairment in value.

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

**Taxation**

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

**Pensions benefits**

Retirement benefits to employees of the academy 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 projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are 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.

**1 Accounting policies (continued)**

The LGPS is a funded scheme and the assets are held separately. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

**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.

**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.

**Financial Instruments**

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

Financial assets and liabilities

Financial assets and 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 or 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 arrangement 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 where 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.

**1 Accounting policies (continued)**

*Derecognition of financial assets or liabilities*

A financial asset is derecognised only when the contractual right to cash flows expire or are settled, or substantially all of the risks and 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.

**Fund accounting**

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

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.

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

**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.

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 related notes and disclosures

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**3 Donations and capital grants**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	324,850	324,850	13,232
	-	324,850	324,850	13,232

The income from donations and capital grants was £324,850 (2017: £13,232) of which £nil (2017: £nil) was unrestricted, £nil (2017: £13,232) was restricted and £324,850 was restricted fixed assets (2017: £nil).

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

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE/ESFA REVENUE GRANTS</b>				
General annual grant (GAG)	-	2,104,493	2,104,493	2,529,290
Other DfE/ESFA grants	-	388,809	388,809	285,512
	-	2,493,302	2,493,302	2,814,802
<b>OTHER GOVERNMENT GRANTS</b>				
Local authority grants	-	1,796,546	1,796,546	1,750,344
	-	4,289,848	4,289,848	4,565,146

The income from funding for educational operations was £4,289,848 (2017: £4,565,146) of which £4,289,848 was restricted (2017: £4,565,146).

Other DfE/ESfA grants are made up of pupil premium, post 16 income, PE grants and BSF revenue. Local Authority grants are in relation to top up funding and SEN funding. There are no unfulfilled conditions or contingencies for grants recognised in the period.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**5 Other trading activities**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Income from recharge of services	65,164	-	65,164	-
Catering income	5,250	-	5,250	6,109
Other income	70,854	-	70,854	48,190
	<u>141,268</u>	<u>-</u>	<u>141,268</u>	<u>54,299</u>

The income from other trading activities was £141,268 (2017: £54,299) of which £141,268 (2017: £54,299) was unrestricted.

**6 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	1,200	-	1,200	1,051
	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>1,051</u>

The income from funding for investment income was £1,200 (2017: £1,051) of which £1,200 (2017: £1,051) was unrestricted.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure	Non Pay Expenditure			2018 Total £	2017 Total £
	Staff Costs	Premises costs	Other costs		
	£	£	£		
Academy's educational operations					
- Direct costs	2,499,385	257,754	194,726	2,951,865	3,433,259
- Allocated support costs	646,272	424,142	366,219	1,436,633	1,293,308
<b>Total expenditure</b>	<b>3,145,657</b>	<b>681,896</b>	<b>560,945</b>	<b>4,388,498</b>	<b>4,726,567</b>

Net income/(expenditure) for the year includes:	2018 £	2017 £
Operating lease rentals:	56,830	55,241
Depreciation of tangible fixed assets	246,957	256,246
Net interest on defined benefit pension liability	28,000	30,000
Fees payable to auditor		
- Audit	13,300	13,300
- Other services	10,680	7,705

8 Charitable activities

	2018 £	2017 £
<b>Direct costs</b>		
Educational operations	2,951,865	3,433,259
<b>Support costs</b>		
Support costs	1,436,633	1,293,308
	<b>4,388,498</b>	<b>4,726,567</b>

The expenditure on educational operations was £4,388,498 (2017: £4,726,567) of which £3,978,876 (2017: £4,434,107) was restricted, £40,523 (2017: £36,214) was unrestricted and £369,099 (2017: £256,246) was restricted fixed assets.

Analysis of Support Costs	2018 £	2017 £
Support staff costs	646,272	653,826
Technology costs	34,305	37,916
Premises costs	424,142	309,396
Other support costs	215,041	197,223
Governance costs	116,873	87,563
	<b>1,436,633</b>	<b>1,285,924</b>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

<b>Staff costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Staff costs during the year were:		
Wages and salaries	2,303,920	2,450,529
Social security costs	195,999	214,842
Pension costs	457,704	611,121
Total staff costs	<u>2,957,623</u>	<u>3,276,492</u>
Supply staff costs	131,869	144,526
Restructuring costs	56,165	46,385
	<u><u>3,145,657</u></u>	<u><u>3,467,403</u></u>

Staff restructuring costs comprise:

Redundancy payments	22,165	4,385
Severance payments	34,000	42,000
	<u>56,165</u>	<u>46,385</u>

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

Included in staff restructuring costs are non-contractual severance payments totalling £34,000 (2017: £42,000). Individually these payments were £19,000 made on 10 January 2018, £12,000 made on 16 January 2018 and £3,000 made on 1 June 2018.

**Staff numbers**

The average number of persons employed by the group during the year ended 31 August 2018 was as follows:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Teachers	53	62
Administration and support	13	17
Management	9	11
	<u>75</u>	<u>90</u>

The average number of persons employed by the charity during the year ended 31 August 2018 was as follows:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Teachers	53	62
Administration and support	10	14
Management	9	11
	<u>72</u>	<u>87</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**9 Staff (continued)**

**Higher paid staff**

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

	2018 No.	2017 No.
£60,001 - £70,000	3	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<u>          </u>	<u>          </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 £418,569 (2017: £433,721).

**10 Central services**

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

	2018 £	2017 £
Trinity Academy Newcastle	173,250	189,825
Trinity Solutions Academy	(173,250)	(189,825)
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

**11 Trustees' remuneration and expenses**

One or more of the trustees has been paid remuneration or has received or has received other benefits from an employment with the academy trust. The CEO only receives 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 £112,293 (2017: £109,180) and employer pension contributions of £nil (2017: £nil).

During the year ended 31 August 2018, travel and subsistence expenses totalling £608 (2017: £44) were reimbursed to one trustee.

Related party transactions are set out in note 26.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**12 Trustees and officer's 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, error 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
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2017	11,923,000	47,969	19,283	26,830	12,017,082
Additions	-	68,670	-	-	68,670
At 31 August 2018	<u>11,923,000</u>	<u>116,639</u>	<u>19,283</u>	<u>26,830</u>	<u>12,085,752</u>
<b>Depreciation</b>					
At 1 September 2017	596,150	44,867	17,603	5,366	663,986
Charge in year	238,460	13,509	420	5,365	257,754
At 31 August 2018	<u>834,610</u>	<u>58,376</u>	<u>18,023</u>	<u>10,731</u>	<u>921,740</u>
<b>Net book value</b>					
At 31 August 2018	<u>11,088,390</u>	<u>58,263</u>	<u>1,260</u>	<u>16,099</u>	<u>11,164,012</u>
At 31 August 2017	<u>11,326,850</u>	<u>3,102</u>	<u>1,680</u>	<u>21,464</u>	<u>11,353,096</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

14 Investment in subsidiary

The Academy has a wholly owned subsidiary, Trinity Post 16 Solutions 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.

	2018 £	2017 £
<b>Turnover and other income</b>	260,750	295,286
Cost of sales and administration costs	<u>(182,020)</u>	<u>(270,348)</u>
Operating (loss) / profit	78,730	24,938
Interest received	23	11
Profit before tax	<u>78,753</u>	<u>24,949</u>
Gift aid distributable to parent	<u>(78,753)</u>	<u>(24,949)</u>
Retained profit	<u>-</u>	<u>-</u>

**The assets and liabilities were:**

Total assets	23,702	13,069
Total liabilities	<u>(23,702)</u>	<u>(13,069)</u>
Total net assets	<u>-</u>	<u>-</u>

15 Debtors

	Group 2018 £	Company 2018 £	Group 2017 £	Company 2017 £
Trade debtors	11,320	11,320	5,005	5,005
Prepayments and accrued income	84,080	84,080	-	-
VAT recoverable	64,192	64,192	195,384	195,384
	<u>159,592</u>	<u>159,592</u>	<u>200,389</u>	<u>200,389</u>

16 Creditors: amounts falling due within one year

	Group 2018 £	Company 2018 £	Group 2017 £	Company 2017 £
Trade creditors	14,813	14,813	-	-
Amounts owed to group undertakings	-	23,702	-	13,069
Accruals and deferred income	194,711	171,009	116,998	103,929
Other taxation and social security	78,585	78,585	90,535	90,535
	<u>288,109</u>	<u>288,109</u>	<u>207,533</u>	<u>207,533</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

17 Deferred income

	2018 £	2017 £
Deferred income is included within:		
Creditors due within one year	-	<u>2,170</u>
Deferred income at 1 September 2017	2,170	-
Amounts released in the year	(2,170)	-
Amounts deferred in the year	-	<u>2,170</u>
Deferred income at 31 August 2018	<u>-</u>	<u>2,170</u>

In the prior year the academy trust was holding funds received in relation to business enterprise funding.

18 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	93,491	5,005
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Financial Liabilities measured at amortised cost	(209,525)	(114,828)
	<u>          </u>	<u>          </u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

Consolidated

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general fund</b>					
General Annual Grant (GAG)	805,080	2,104,493	(1,611,521)	(53,032)	1,245,020
Other DfE/ESFA grants	-	267,269	(267,269)	-	-
Pupil premium	-	121,539	(121,539)	-	-
Other government grants	-	1,796,547	(1,796,547)	-	-
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>
<b>Restricted fixed asset funds</b>					
Inherited funds	11,326,161	-	(243,901)	-	11,082,260
Capital expenditure from GAG	16,386	-	(11,169)	53,032	58,249
DfE / ESFA capital grants	10,549	324,850	(114,029)	-	221,370
	<u>11,353,096</u>	<u>324,850</u>	<u>(369,099)</u>	<u>53,032</u>	<u>11,361,879</u>
<b>Total restricted funds</b>	<u>10,937,176</u>	<u>4,614,698</u>	<u>(4,347,975)</u>	<u>404,000</u>	<u>11,607,899</u>
<b>Unrestricted funds</b>					
General fund	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>
<b>Total funds</b>	<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

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds (continued)

Company

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general fund</b>					
General Annual Grant (GAG)	750,240	2,009,780	(1,623,553)	(59,371)	1,077,096
Other DfE/ESFA grants	-	109,495	(109,495)	-	-
Pupil premium	-	121,539	(121,539)	-	-
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>
<b>Restricted fixed asset funds</b>					
Inherited funds	11,326,161	-	(243,901)	-	11,082,260
Capital expenditure from GAG	16,386	-	(11,169)	59,371	64,588
DfE / ESFA capital grants	10,549	318,511	(114,029)	-	215,031
	<u>11,353,096</u>	<u>318,511</u>	<u>(369,099)</u>	<u>59,371</u>	<u>11,361,879</u>
<b>Total restricted funds</b>	<u>10,882,336</u>	<u>4,353,948</u>	<u>(4,200,309)</u>	<u>404,000</u>	<u>11,439,975</u>
<b>Unrestricted funds</b>					
General fund	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>
<b>Total funds</b>	<u>11,798,312</u>	<u>4,602,677</u>	<u>(4,234,009)</u>	<u>404,000</u>	<u>12,570,980</u>

The specific purposes for which the funds carried forward 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 2018.

**Other DfE / ESFA grants**

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

**Other government grants**

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

**Pension reserve**

The costs and income associated with the defined benefit pension scheme 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.

**19 Funds (continued)**

**Inherited funds**

The balance represents the total capital expenditure. 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/EFA 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.

**Unrestricted funds**

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

**Designed 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

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds (continued)

Funds prior year

Consolidated

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted General Fund</b>					
General Annual Grant (GAG)	476,911	2,529,290	(2,184,251)	(16,870)	805,080
Other DfE/EFA grants	-	167,683	(167,683)	-	-
Pupil premium	-	117,829	(117,829)	-	-
Other government grants	-	1,750,344	(1,750,344)	-	-
Pension reserve	(1,666,000)	-	(214,000)	659,000	(1,221,000)
	<u>(1,189,089)</u>	<u>4,565,146</u>	<u>(4,434,107)</u>	<u>642,130</u>	<u>(415,920)</u>
<b>Restricted fixed asset funds</b>					
Inherited funds	11,579,240	-	(253,079)	-	11,326,161
Capital expenditure from GAG	-	-	(484)	16,870	16,386
DfE / ESFA capital grants	-	13,232	(2,683)	-	10,549
	<u>11,579,240</u>	<u>13,232</u>	<u>(256,246)</u>	<u>16,870</u>	<u>11,353,096</u>
<b>Total restricted funds</b>	<u>10,390,151</u>	<u>4,578,378</u>	<u>(4,690,353)</u>	<u>659,000</u>	<u>10,937,176</u>
<b>Unrestricted funds</b>					
General fund	842,000	37,923	(25,250)	-	854,673
Designated business enterprise	-	17,427	(10,964)	-	6,463
	<u>842,000</u>	<u>55,350</u>	<u>(36,214)</u>	<u>-</u>	<u>861,136</u>
<b>Total funds</b>	<u>11,232,151</u>	<u>4,633,728</u>	<u>(4,726,567)</u>	<u>659,000</u>	<u>11,798,312</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds (continued)

Funds prior year

Company

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted General Fund</b>					
General Annual Grant (GAG)	476,911	2,450,225	(2,160,026)	(16,870)	750,240
Other DfE/EFA grants	-	74,420	(74,420)	-	-
Pupil premium	-	117,829	(117,829)	-	-
Other government grants	-	1,627,386	(1,627,386)	-	-
Pension reserve	(1,666,000)	-	(214,000)	659,000	(1,221,000)
	<u>(1,189,089)</u>	<u>4,269,860</u>	<u>(4,193,661)</u>	<u>642,130</u>	<u>(470,760)</u>
<b>Restricted fixed asset funds</b>					
Inherited funds	11,579,240	-	(253,079)	-	11,326,161
Capital expenditure from GAG	-	-	(484)	16,870	16,386
DfE / ESFA capital grants	-	13,232	(2,683)	-	10,549
	<u>11,579,240</u>	<u>13,232</u>	<u>(256,246)</u>	<u>16,870</u>	<u>11,353,096</u>
<b>Total restricted funds</b>	<u>10,390,151</u>	<u>4,283,092</u>	<u>(4,449,907)</u>	<u>659,000</u>	<u>10,882,336</u>
<b>Unrestricted funds</b>					
General fund	842,000	85,863	(18,350)	-	909,513
Designated business enterprise	-	17,427	(10,964)	-	6,463
	<u>842,000</u>	<u>103,290</u>	<u>(29,314)</u>	<u>-</u>	<u>915,976</u>
<b>Total funds</b>	<u>11,232,151</u>	<u>4,386,382</u>	<u>(4,479,221)</u>	<u>659,000</u>	<u>11,798,312</u>

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:	Total 2018 £	Total 2017 £
Trinity Academy Newcastle	1,106,571	681,978
Trinity Solutions Academy	1,101,530	984,238
Trinity Post 16 Solutions Limited	-	-
Total before fixed asset fund and pension reserve	<u>2,208,101</u>	<u>1,666,216</u>
Restricted fixed asset fund	11,361,879	11,353,096
Pension reserve	(999,000)	(1,221,000)
Total funds	<u>12,570,980</u>	<u>11,798,312</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds (continued)

Total costs analysis by academy

	Teaching and Educational Support Staff £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2018 £	Total 2017 £
Trinity Academy Newcastle	1,756,642	807,706	120,471	678,887	3,363,706	3,367,199
Trinity Solutions Academy	321,396	27,466	50,786	50,927	450,575	681,451
Trinity Post 16 Solutions Limited	-	87,527	51,243	43,250	182,020	270,348
<b>Academy Trust</b>	<u>2,078,038</u>	<u>922,699</u>	<u>222,500</u>	<u>773,064</u>	<u>3,996,301</u>	<u>4,318,998</u>

20 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2018 £
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)
<b>Total net assets</b>	<u>963,081</u>	<u>246,020</u>	<u>11,361,879</u>	<u>12,570,980</u>

Fund balances at 31 August 2017 are represented by:	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2017 £
Tangible fixed assets	-	-	11,353,096	11,353,096
Current assets	861,136	1,012,613	-	1,873,749
Creditors falling due within one year	-	(207,533)	-	(207,533)
Defined benefit pension liability	-	(1,221,000)	-	(1,221,000)
<b>Total net assets</b>	<u>861,136</u>	<u>(415,920)</u>	<u>11,353,096</u>	<u>11,798,312</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**21 Commitments under operating leases**

At 31 August 2018 the total future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Amounts due within one year	983	983
Amounts due between one and five years	983	1,966
	<u>1,966</u>	<u>2,949</u>

Operating leases relate to the rental of office equipment.

**22 Reconciliation of the net income to net cash flow from operating activities**

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	368,668	(92,839)
<b>Adjusted for:</b>		
Capital grants from DfE / ESFA and other capital income	(293,929)	(13,232)
Interest receivable	(1,200)	(1,051)
Defined benefit pension scheme costs less contributions payable	145,000	184,000
Defined benefit pension scheme finance cost	28,000	30,000
Defined benefit pension scheme past service cost	9,000	-
Depreciation of tangible fixed assets	257,754	256,246
<b>Movement in working capital:</b>		
Decrease / (increase) in debtors	9,876	(91,962)
Increase in creditors	80,576	93,792
<b>Net cash provided by operating activities</b>	<u>603,745</u>	<u>364,954</u>

**23 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.

**24 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 2012, and that of the LGPS related to the period ended 31 March 2016.

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

**Teachers' Pension Scheme**

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

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

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published 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) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the year amounted to £124,704 (2017: £134,121).

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

**24 Pension and similar obligations (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate director-administered funds. The agreed contribution rates for future years are 15.9% for employers and 5.5% - 12.5% for employees.

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

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.

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Employer's contributions	179,000	293,000
Employees' contributions	69,000	78,000
Total contributions	<u>248,000</u>	<u>371,000</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 2018 by a qualified independent actuary.

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	3.5	3.4
Rate of increase for pensions in payment/inflation	2.0	1.9
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.0	1.9

The assumed life expectations on retirement at 65 are:

	<b>2018</b>	<b>2017</b>
	<b>Years</b>	<b>Years</b>
Retiring today:		
Males	22.9	22.8
Females	26.4	26.3
Retiring in 20 years:		
Males	25.1	25.0
Females	28.7	28.6

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

24 Pension and similar obligations (continued)

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

	Fair value 2018 £	Fair value 2017 £
Equities	2,436,000	2,041,000
Property	307,000	278,000
Government bonds	144,000	120,000
Corporate bonds	404,000	355,000
Cash	79,000	120,000
Other	239,000	174,000
Total market value of assets	<u>3,609,000</u>	<u>3,088,000</u>

Actual return on scheme assets	<u>254,000</u>	<u>578,000</u>
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Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost	324,000	477,000
Net interest cost	28,000	30,000
Past service cost	9,000	-
	<u>361,000</u>	<u>507,000</u>

Changes in the present value of defined benefit obligations

	2018 £
At 1 September 2017	4,309,000
Current service cost	324,000
Interest cost	109,000
Employee contributions	69,000
Net benefits paid out	19,000
Past service cost	9,000
Actuarial gain	(231,000)
At 31 August 2018	<u>4,608,000</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**24 Pension and similar obligations (continued)**

Changes in the fair value of academy's share of scheme assets:	2018 £
At 1 September 2017	3,088,000
Interest income	81,000
Return on plan assets (excluding net interest on the net defined pension liability)	173,000
Employer contributions	179,000
Employee contributions	69,000
Net benefits paid out	19,000
	<hr/>
At 31 August 2018	<u>3,609,000</u>

**25 Members' liability**

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

**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.

Fresh Thinking Consultancy Limited – a company which C Venosa (a former trustee) had control over:

- The trust purchased consultancy services totalling £nil (2017: £2,000) during the year. There were no amounts outstanding at 31 August 2018 (2017: £nil).

Key management personnel compensation disclosure is included in note 9.

At 31 August 2018, Trinity Academy Newcastle owed £23,702 (2017: £13,069) 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 £16,513 and disbursed £23,372 from the fund. An amount of £nil (2017: £nil) is included in other creditors relating to undistributable funds that is repayable to the ESFA.

**28 Post balance sheet event**

The New Bridge Academy joined the Trust on 1 December 2018, from the Ascent Academies Trust, and has since been renamed Trinity Academy New Bridge.

**29 Capital commitments**

	2018 £	2017 £
Expenditure contracted for but not provided in the financial statements	<u>209,866</u>	=

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

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### **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 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by Trinity Academy Newcastle during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions do not 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 2017 to 31 August 2018 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 2017 to 2018 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. 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 2017 to 2018.

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 2017 to 31 August 2018 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material 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 2017 to 2018.

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

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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.

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 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  
Newcastle upon Tyne  
NE1 4AD

Dated: 13/12/18