

Company Registration No. 08449062 (England and Wales)

**TRINITY ACADEMY NEWCASTLE
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

TRINITY ACADEMY NEWCASTLE

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Calder
L Ellison
S Elliot

Trustees

A Calder (Chair)
L Ellison (Vice chair)
S Elliott (Vice chair)
C Black
C Venosa
C McNally (Resigned 12 January 2016)
K Meikle
W Curley (Accounting Officer)
M Higgins
S Hodgson
P Surtees (Appointed 25 November 2015)
A Florance (Appointed 12 December 2015)
J Leoyord (Appointed 1 February 2016)

Senior management team

- CEO	W Curley
- Head of School (Improvement)	P Tully
- Head of School (Business)	J Renwick
- Head of School (Pastoral)	M Flint
- Head of School (Teaching & Learning)	L McNally
- Assistant Head of the Oakfield Site	L Hendry
- Assistant Head of the Deneview Site	S Northey
- Student Welfare Coordinator	M Higgings

Company secretary

J Renwick

Company registration number

08449062 (England and Wales)

Registered office

Condercum Road
Newcastle upon Tyne
NE4 8XJ

Academies operated

Trinity Academy Newcastle
Trinity Solutions Academy

Location

Newcastle upon Tyne
Newcastle upon Tyne

Independent auditor

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

Bankers

Lloyds Bank PLC
Grey Street
Newcastle upon Tyne
NE99 1SL

TRINITY ACADEMY NEWCASTLE

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

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

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Trinity Academy Newcastle is a Specialist Provision for students who have a Statement of Special Educational Needs or Education, Health and Care Plan for Social, Emotional and Mental Health (SEMH). The trust operates an academy for pupils aged 7 to 19 (or 24 for higher funded students with learning difficulties or disabilities).

On 1 January 2016 the Academy converted to a multi-academy trust, with activities split between Trinity Academy Newcastle and Trinity Solutions Academy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The trustees of Trinity Academy Newcastle are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Trinity Academy Newcastle.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1. The trustees who are also the directors of the charitable company for the purposes of company law are:

- A Calder
- S Elliot
- L Ellison

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

As required in the Academy's Articles of Association indemnity insurance has been taken out to cover the liability of trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they might be guilty in relation to the Academy. Provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any successful defence to a criminal prosecution brought against the trustees in their capacity as trustees.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of trustees

Articles of Association, 50-64 state:

50. The Members may appoint up to 3 Governors.

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

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

53. Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Special Academy. A Parent Governor 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 to Parent Governors, including any question of whether a person is a parent of a registered pupil at the Special Academy. An election of Parent Governors which is contested shall be held by secret ballot.

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

56. Where a vacancy for a Parent Governor 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 it 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 Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

CO-OPTED GOVERNORS

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

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of trustees

Support for new trustees:-

To help new trustees learn about their role and quickly contribute to the work of the governing body, there will be an initial meeting with the Chair and the Headteacher 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:

- Trustee's Handbook
- Minutes from last FGB meeting
- School Development Plan
- Last Ofsted Report
- Any self-evaluation materials
- Access to Academy shared folders (This will provide all trustees with access to the Academy's policies, Funding Agreements, Financial Handbook and Articles of Association)

We encourage all new trustees to take up training opportunities – especially Induction – offered by Governor Services and from Modern Governor (eLearning). The PA to the CEO records all Trustees Training. These records are updated on a half termly bases and published at all FGB Meetings and all Resources Committees.

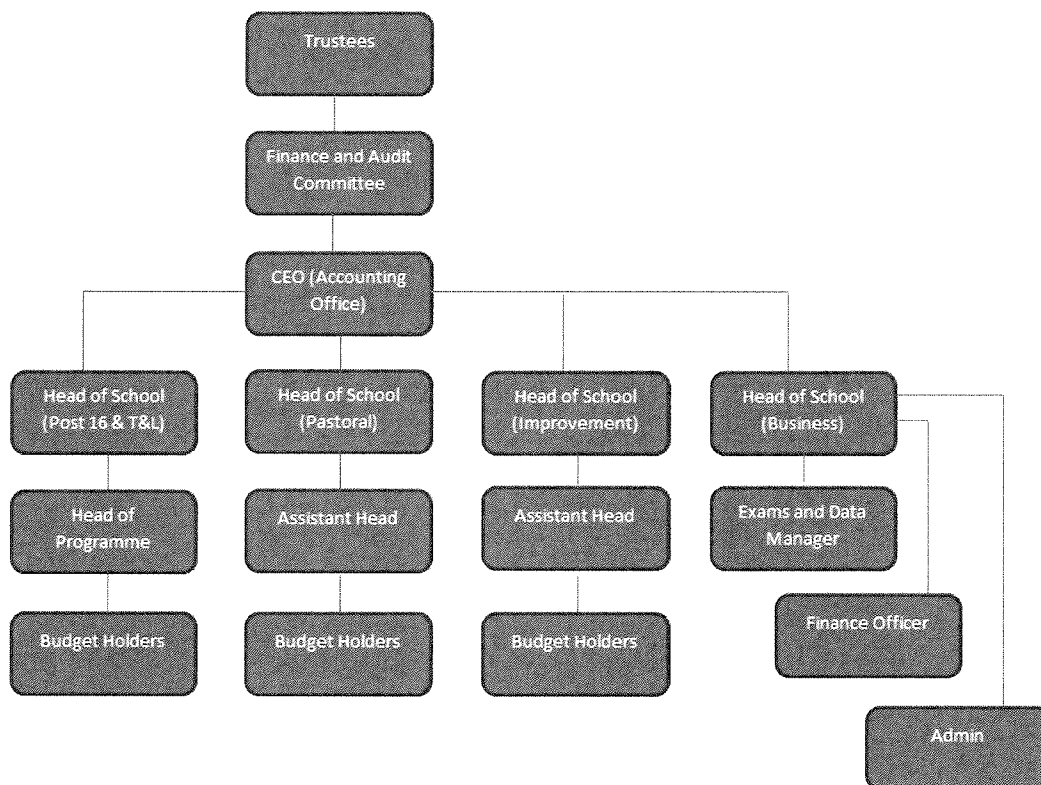
A mentor (usually the Chair) will do the following:

- Meet with the new trustee before the meetings for the first year to answer questions, explain the agenda etc
- Sit with the new governor at meetings to answer questions
- Make regular contact to answer questions

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Organisational structure



Arrangements for setting pay and remuneration of key management personnel

All arrangements for setting pay and remuneration of key management (CEO and Leadership Team) is set out in the Trusts Pay Policy.

Related parties and co-operation with other organisations

Details of the transactions with related parties are stated on Note 23 to the financial statements.

A subsidiary company Trinity Post 16 Solutions Limited, was incorporated on 18 December 2015. Details of the subsidiary, including its results for the year are included in Note 13.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Trinity Academy Newcastle is dedicated to providing a rich, experiential curriculum which promotes children's independence, a thirst for enquiry and a life-long passion for learning. We believe this is done best through cross-curricular learning, in which children learn through linking subjects together. The National Curriculum is the statutory requirement for student's learning during Key Stage 1 to 4. In addition to the National Curriculum, Trinity has supplementary subjects build into the curriculum offer which not only ensures the coverage of the National Curriculum, but also facilitates learning experiences that enable our pupils to achieve their full potential. We believe in providing enriching opportunities which develop the core skills of Communication, Numeracy, Reading and Writing.

The lower school provides a flexible and rounded curriculum fulfilling all national curriculum requirements for KS2 and KS3. This is supported by a range of enrichment activities to provide cross curriculum learning experiences and SMSC objectives.

In the upper school Pre 16 students follow a diverse, flexible curriculum which includes 9 GCSE and 2 vocational options. There is still a core component of subjects, namely English, Mathematics, Science, ICT, Physical Education, PHSE, WRL and Technology.

However in the upper School Post 16 learners follow the Learn to Work Programme (Study Programme); which provides learners with a chance to learn and gain qualifications (including GCSE English and Maths) in a real working environment, whilst also having the opportunity to gain real work experience with local employers.

Objectives, strategies and activities - OfSTED Framework

- Achievement
- Behaviour and Safety
- Teaching and Learning
- Leadership and Management

A detailed Self Evaluation Form (SEF) and School Improvement Plan (SIP) are available on the schools website; these outline the strategies implemented to achieve the above.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Achievement

- **KS2 Attainment:** Despite significant changes in national testing, over 4 years there has been improvements in pupils achieving the national standard.
- **GCSE:** In 2015-16, there is a 54% improvement in students achieving 5 A*-Gs' from the previous year.
- **KS4 Attainment:** Improvement in the proportion of students achieving English and Maths GCSE.
- **KS4:** An increasing proportion of students are either achieving or exceeding their FFT-expected grades.
- **GCSE's improved:** There has been a clear shift towards GCSE qualifications over the past two years. Over 3 years the range and number of GCSEs has increased.
- The **earlier** a student joins Trinity, the better their performance in national testing.
- **Maths** continues to be our higher performing subject but significant improvements have been made since 2014/15.
- On average, **76%** of pupils have made or exceeded their target in 2015-16 in English and/or Maths, this was a significant improvement from the previous year.
- The **new national curriculum** has had a significant impact upon student performance against national standards. At Trinity, students are working on average 3 years behind where they should be. Although this is the first year, we can already demonstrate that we are closing the gap.
- **Pupil premium** students achievement is alongside and at times above that of students not eligible for the grant. The number of students achieving/exceeding their target has increased from the previous year.

Behaviour and Safety

The Power of Choice (POC) is a behaviour monitoring and rewarding system originally developed in 2014. Since then it has been in a state of constant development and improvement in order to adapt to the changing educational landscape. Over the years, we have incorporated the following developments:

- **Rewarding Attendance:** Not only in school, but also in every class. Students are awarded extra points for making sure they're in the *Right Place*, at the *Right Time* in every lesson.
- **Rewarding Positive Behaviour:** Originally, we set the expectation for every student to be doing the *Right Thing* at all times. This has since been expanded and developed further to incorporate additional expectations. Now students are expected to adhere to the academy's high expectations of displaying positive *Behaviour for Learning*. This includes employing *active listening skills*, *kindness* towards peer and staff, and a positive *attitude* all day, every day.
- **Rewarding Uniform:** Students are expected to adhere to our uniform standards. They are rewarded throughout the day for following our uniform guidelines.
- **Rewarding Homework:** In response to our previous Ofsted report highlighting our Homework policy, we have developed new strategies to set more challenging and rewarding homework tasks to further a student's learning. We also incorporated *Homework* reward points in the POC.
- **Rewarding Progress:** With the end result being improved engagement in every lesson, we have developed reward points for Progress in every lesson. A student must be able to either (a) demonstrate an understanding of the topic in the lesson, or (b) at least display a positive attitude and effort towards learning and understanding the subject.
- **Rewarding Learning:** Lastly, perhaps the most important feature is rewarding the application of the knowledge. We have introduced a point parameter where a student must demonstrate their learning by either (a) applying what they have learnt to tasks in lessons, or (b) where an opportunity for (a) doesn't arise in-lesson, students must at least be able to recall the lesson's learning aims.

Attendance - Attendance is now an Academy school improvement priority; Trinity Academy Newcastle has a relentless focus upon increasing our Academy attendance. Our attention to detail and subsequent marginal gains have successfully secured an improving Academy attendance over the last four years.

Academic year	Academy attendance
2015/16	90.06%
2014/15	88.2%
2013/14	88.5%
2012/13	87.4%

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

80% of students have improved their attendance since joining Trinity Academy Newcastle

- We closely monitor **attendance** of every single student of the Academy.
- We celebrate attendance weekly.
- We work closely with our Academy parents & carers to support good school attendance.
- We work closely and act swiftly to address any attendance concerns with parent/carers and partner agencies.
- We hold half-termly *Attendance Intervention and Strategy* meetings where we focus on every single student's attendance performance over the year, the term and since the last meeting.

Behaviour Leadership - Trinity Academy Newcastle are at the forefront of outstanding 'Behaviour Leadership'. We have embedded strategies to promote positive 'behaviour for learning', from our 'outstanding' Ofsted behaviour and safety judgment in 2012. Trinity Academy has reduced incidents on unacceptable behaviour by 39%.

Academic year	Behavioural incidents
2015/16	170
2014/15	176
2013/14	280

Trinity achieved Team Teach 'gold status' and are now the licenced provider to train schools in the Newcastle area. "Trinity are at the forefront of good practice, I am thrilled to award them with the Team Teach Gold Status award, I am happy to confirm that the award of team teach gold standard confirms both on paper evidence, audit and personal testimony that Trinity school is providing a high level of behaviour management and safeguarding" (George Matthews Team Teach director).

Trinity have developed their own unique 'Behaviour Leadership' program enabling to support staff within the academy along with offering training for colleagues outside of our Academy.

Pupils sustained improvement in behaviour has also supported improved outcomes.

Data collated from 2016 HOS survey

- 92% of Academy parents/carers report that their child's behaviour has improved since attending Trinity Academy Newcastle
- 99% of Academy parent/carers believe that Trinity is well led and well managed
- 99% of Academy parents stated that Trinity responds well to any concerns that may arise
- 98% of Academy parents/carers stated that Trinity ensures students are well behaved
- 100% of Academy parents/carers stated that their child was well looked after at Trinity
- 96% of Academy parents/carers stated that their child feels safe in school
- 95% of Academy students reported feeling safe in school (AB survey 16)
- Trinity Academy Newcastle students, staff, parents & carers are proud of our Anti-bullying ethos and outstanding practice. Trinity dramatically reduced bullying incidents since academic year 2011/12 by 93%. Over the last 4 years any incidence of bullying is rare:

Academic year	Bullying incidents
2015/16	2
2014/15	3
2013/14	6
2012/13	5
2011/12	30

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Data collated from 2016 Anti bullying report

Trinity were awarded in 2016 with ABQM bronze award in recognition of our outstanding Anti bullying practice.

- 99% of Academy students feel that staff take bullying seriously, and council students with regards to any occurring issue.
- 100% of Academy parents/carers stated that school takes bullying seriously.
- 100% of Academy parents/carers stated that school listens to their child.
- 99% of Academy parents/carers stated that school keeps them informed regarding any incident of bullying and act upon any arising issues.
- 98% of Academy parents/carers referenced that whatever school does to deal with bullying at Trinity works.
- 97% of the Academy parent/carers stated that school deals effectively with bullying, 3% stated that they didn't know (HOS questionnaire 2016).

Teaching and Learning

- Development of Teaching and Learning Cycle - incorporating themed drop ins, observations of teaching and learning, Quality Assurance checks, moderation and assessment.
- Development of new tracking document for Observation of Teaching and Learning which identifies the priority areas within Teaching and Learning.
- Introduction of the new Assessment Policy incorporating Marking and Feedback.
- Targeted CPD across all sites revisiting the Marking Policy, Learning Objectives and Effective Questioning following workbook scrutiny and LA visit report - implemented June 2015.
- Regular workbook scrutiny timetabled across all sites, individual feedback given to staff and action points set and reviewed - implemented June 2015.
- Adherence to the Marking and Feedback Policy reflected in Mid Cycle reviews - implemented 2015.
- Assistant Heads conducting cross site workbook scrutiny every half term - implemented May 2015.
- There were no *Inadequate* Observations in 2015-16.

Areas where high percentage of Outstanding was identified are as follows:

- Good subject and curriculum knowledge (88%)
- Plan and Teach well-structured lessons (71%)
- Manage behaviour effectively (82%)

Priorities across the academy were identified as follows:

- Marking and feedback (26% received outstanding)
- Set high expectations to motivate and challenge (47% received outstanding)
- Adapt teaching to respond to strengths and needs of all pupils (32% received outstanding)

Leadership and Management

- A comprehensive and effective appraisal process, overseen and endorsed by our Board of Trustees, is in place - one teacher successfully went through the threshold to upper pay scale in 15/16
- Similar process for all support staff successfully launched in 15/16
- The committee structure has been streamlined to make it more efficient and effective
- There is a high level of integration and effective communication between the governing body and senior leadership team
- All trustees have attended extensive CPD, enhancing their understanding of their role
- Trustees conduct regular focussed site visits and make recommendations for school improvement
- Our trustees are central to our self-evaluation and school improvement processes; able to maintain clear oversight and influence
- The board of trustees receive regular and timely updates on school performance
- A number of highly skilled trustees from professional backgrounds have been recruited

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

The measures used to assess achievement are:

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

Financial review

The financial position of the Academy Trust is secure. Refer to minutes of Finance and Audit committee meetings and FGB meetings, available from the school.

The principal financial management policies adopted by the Academy are outlined in the Academies Financial Handbook. These include Internal Financial Regulations and a dedicated Committee which meets four times a year and in turn reports to the Full Governing Body, again, four times a year. The principal source of funding is the General Annual Grant (GAG), Pupil Premium funding, SEN and Post 16 funding. This is turn is delegated to Departments within the Academy and directed to the key objectives in the SEF which are then tracked and analysed in terms of their impact.

The prior year was a six month period and included an exceptional transfer on conversion of £12,182,844.

During the year ended 31 August 2016 total income of £4,736,494 (2015 excluding the transfer from the local authority: £2,013,770) was received and total expenditure of £4,433,515 (2015: £2,208,442) was incurred. The excess of total expenditure over income for the year (including other gains/losses) was £789,021 (2015: £12,021,172). The financial performance during the period ended 31 August 2015 was a loss of £161,672 excluding the exceptional transfer.

Financial and risk management objectives and policies

From conversion, at 31 August 2015, the Academy was liable for a £632,000 Local Government Pension Scheme deficit along with £258,700 for past service additional contributions.

Past Service Amount Payable in year ending 31 March 2015	-	£10,200
Past Service Amount Payable in year ending 31 March 2016	-	£122,200
Past Service Amount Payable in year ending 31 March 2017	-	£126,300

The Past Service amount is assumed to be paid over the recovery period of 3.1 years in the following amounts. The amounts shown are expected to increase in future in line with our pay inflation assumptions (3.40% p.a.).

The pension deficit as at 31 August 2016 was £1,666,000 as detailed in note 22 of the financial statements.

Reserves policy

The Academy held fund balances at 31 August 2016 of £11,232,151 comprising of £11,579,240 of restricted fixed asset funds, a pension reserve deficit of £1,666,000, a restricted general fund of 476,911 and 842,000 unrestricted general funds. The Academy holds free reserves of £1,318,911.

The Academy does not carry a deficit balance. The Academy agrees to hold a minimum of £600,000 in order to minimise risks to the Academy. Additional funds in excess of £600,000 are carried forward in order to be utilised on planned repairs and maintenance expected going forward.

Investment policy

Apart from cash held for the operation of the academy, there are no realisable investments.

Investments are discussed within the finance/audit resources committee and are approved by the full governing body.

The Academy set up a subsidiary company Trinity Post 16 Solutions Limited, on 18 December 2015. Details of the subsidiary, including its results for the year are included in Note 13.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

The Academy, 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 Academy also makes use of comparative data provided by the Education Funding Agency (EFA) and the Local Authority.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies 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. The priorities for 2016/17 are the following and all strategies to achieve them are regularly updated in the Academies SEF/SIP :-

- Leadership and Management
- Teaching and Learning
- ICT
- Attendance KS4
- English/Literacy Upper School

Principal risks and uncertainties

The Trustees have reviewed the assessment of major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have monitored a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have monitored the systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

The Academy has a Business Continuity Plan, Strategic and Reputational Risk Plan, Critical Incident Plan and Emergency Closure Plan.

These are reviewed annually by the Senior Leadership Team and Trustees.

The principal financial risks and uncertainties are contained in the Strategic and Reputational Risk Plan which is reviewed biannually, examples of these include:-

- Human Resources and Staff Welfare
- Quality of Service and Performance
- Financial Management and Budgets
- Safeguarding and Pupil Welfare
- Premises, Health and Safety
- Security
- ICT Provision
- Insurance Protection
- Information Management
- Incident Management and Business Continuity

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (CONTINUED)

AUDITOR

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

Statement as to disclosure of information to auditor

In so far as the trustees are aware:

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

The 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 01 December 2016 and signed on its behalf by:

A Calder
Chair



TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees 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 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
A Calder (Chair)	4	4
L Ellison (Vice chair)	4	4
S Elliott (Vice chair)	2	4
C Black	3	4
C Venosa	2	4
C McNally (Resigned 12 January 2016)	1	1
K Meikle	2	4
W Curley (Accounting Officer)	3	4
M Higgins	4	4
S Hodgson	3	4
P Surtees (Appointed 25 November 2015)	2	3
A Florance (Appointed 12 December 2015)	1	3
J Leoyord (Appointed 1 February 2016)	0	2

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (CONTINUED)

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

- Initial review and recommendation to the governing body of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with requirements of the Companies Act 2006 and the EFA and DfE guidance issued to Academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation
- Reviewing the internal assurance reports on the effectiveness of the financial procedures and controls. These reports must also be reported to the governing body.
- To review the financial policies of the Academy and where necessary make recommendations to the governing body.
- Authorising changes to the Academy personnel establishment.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A Calder (Chair)	4	4
L Ellison (Vice chair)	4	4
S Elliott (Vice chair)	3	4
K Meikle	1	4
W Curley (Accounting Officer)	4	4
P Surtees (Appointed 25 November 2015)	1	1
A Florance (Appointed 12 December 2015)	0	1

The Resources Committee is also a sub-committee of the main board of trustees. The responsibilities of the Resources Committee are:

- Policies
- Health, Safety and Wellbeing
- Premise and Development report
- Governors Reports and Training
- Curriculum topics
- Staffing Report

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A Calder (Chair)	4	4
L Ellison (Vice chair)	4	4
S Elliott (Vice chair)	4	4
C Black	3	4
C Venosa	1	4
C McNally (Resigned 12 January 2016)	1	1
W Curley (Accounting Officer)	4	4
M Higgins	4	4

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

I accept that as the accounting officer of Trinity Academy Newcastle I am responsible and accountable for ensuring that the school delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. I set out below how I have ensured that the academy's use of its resources has provided good value for money from September 2015 to August 2016.

As the Accounting Officer I have considered how the Academy Trusts use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees where Value for Money can be improved, including the use of benchmarking data where available. Improved value for money during the year by:

- Reviewed all contracts such as building management, photocopiers, access management and changing suppliers where necessary.
- Reviewed the amount of student benefits such as bursary and travel.
- Reviewed all subcontractors.
- Jointly purchased training alongside other schools/ academies.

What is best value?

Value for money is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all resources.

Directors and Senior Leaders apply the four Principles of Best Value:

- **Challenge:** Reviewing the functions of the school, challenging how and why services are provided. Setting targets and performance indicators for improvement
- **Compare:** Monitor outcomes and financial performance comparing with similar schools
- **Consult:** Consult appropriate stakeholders before major decisions are made
- **Compete:** Promote fair competition through quotations and tenders to ensure that goods and services in the most economic, efficient and effective way

In 2015-16 this applied to:

- Staffing
- Premises
- Purchasing of resources
- Health and safety

Reviewing Controls and Managing Risks

The Academy has established robust, segregation of duties within financial control; there is regular financial monitoring with Trustees and reports to Finance and Audit Meetings. Trustee's challenge decisions makers within the school on the cost and effectiveness of spending proposals in order to achieve value for money.

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (CONTINUED)

Staffing:

The Trustees and SLT have deployed staff to provide best value in terms of leadership and management. The staffing structure and CPD has been implemented to ensure the best possible adult-pupil ratio and quality of teaching.

Teaching:

The Trustees and SLT review the quality of teaching, to provide parents and pupils with:

- A curriculum which meets the needs of individual pupils
- Teaching which builds on previous learning and has high expectations of children's achievements

Learning:

The Trustees and SLT will review the quality of children's learning, by cohort, group and individual to provide:

- Teaching which enables children to reach their potential.

Pupil's Welfare:

The Trustees and SLT review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and achievement.

Monitoring:

There will be monitoring to ensure best value through:

- In-house monitoring by the Headteacher and staff
- Pupil progress meetings
- Staff appraisals
- Analysis of pupil performance data
- Budget planning and financial review
- Trustees' visit reports
- Trustees' meetings
- Committee meetings

Purchasing

The Trustees and SLT have developed procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:

- competitive tendering procedures
- procedures for accepting "best value" quotes, which are not necessarily the cheapest

The Trustees and SLT purchased equipment, materials and services to provide pupils and staff with resources which promote quality teaching and learning. There is an electronic Asset Register (School Asset Manager) which manages the allocation of resources in terms of costing, effectiveness and depreciation. The Local Authority maintains the Asset Register for all IT equipment.

Health and Safety

The Trustees, School Business Manager and the Health and Safety Committee will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint RSM Risk Assurance Services LLP to provide internal assurance support.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

RSM Risk Assurance Services LLP reports to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (CONTINUED)

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 internal auditor
- The work of the external auditor
- The financial management and governance self-assessment process;
- The work of the Head of School (Business) within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

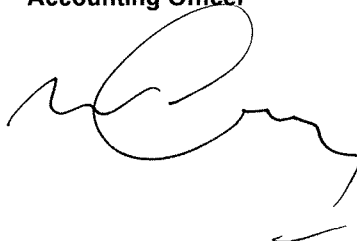
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address areas for development and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 01 December 2016 and signed on its behalf by:

A Calder
Chair



W Curley
Accounting Officer



TRINITY ACADEMY NEWCASTLE

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Trinity Academy Newcastle I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

W Curley
Accounting Officer

01 December 2016



TRINITY ACADEMY NEWCASTLE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the DfE/EFA 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 01 December 2016 and signed on its behalf by:

A Calder
Chair



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINITY ACADEMY NEWCASTLE

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of Trinity Academy Newcastle for the year ended 31 August 2016 set out on pages 24 to 47. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies Accounts Direction 2015 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 21, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the trustees' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINITY ACADEMY
NEWCASTLE (CONTINUED)**

YEAR ENDED 31 AUGUST 2016

Matters on which we are required to report by exception

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

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

Lucy 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

Dated: 2 December 2016

TRINITY ACADEMY NEWCASTLE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 6 months ended 31 August 2015 £
Income and endowments from:						
Donations and capital grants	3	-	9,164	-	9,164	8,658
Donations - transfer from local authority on conversion	25	-	-	-	-	12,182,844
Charitable activities:						
- Funding for educational operations	4	-	4,680,545	-	4,680,545	1,968,066
Other trading activities	5	45,411	-	-	45,411	36,796
Investments	6	1,374	-	-	1,374	250
Total income and endowments		<u>46,785</u>	<u>4,689,709</u>	<u>-</u>	<u>4,736,494</u>	<u>14,196,614</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	9,805	4,163,339	260,371	4,433,515	2,208,442
Total expenditure	7	<u>9,805</u>	<u>4,163,339</u>	<u>260,371</u>	<u>4,433,515</u>	<u>2,208,442</u>
Net income/(expenditure)	17	36,980	526,370	(260,371)	302,979	11,988,172
Transfers between funds		-	8,541	(8,541)	-	-
Other recognised gains and losses						
Remeasurement of net defined benefit obligations	22	-	(1,092,000)	-	(1,092,000)	33,000
Net movement in funds		<u>36,980</u>	<u>(557,089)</u>	<u>(268,912)</u>	<u>(789,021)</u>	<u>12,021,172</u>
Reconciliation of funds						
Total funds brought forward		805,020	(632,000)	11,848,152	12,021,172	-
Total funds carried forward		<u>842,000</u>	<u>(1,189,089)</u>	<u>11,579,240</u>	<u>11,232,151</u>	<u>12,021,172</u>

TRINITY ACADEMY NEWCASTLE

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	12	11,579,240		11,839,611	
Investments	13		1		-
			<u>11,579,241</u>		<u>11,839,611</u>
Current assets					
Debtors	14	108,427		90,766	
Cash at bank and in hand		1,324,225		826,459	
		<u>1,432,652</u>		<u>917,225</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(113,742)		(103,664)	
			<u>1,318,910</u>		<u>813,561</u>
Net current assets					
			<u>12,898,151</u>		<u>12,653,172</u>
Net assets excluding pension liability					
Defined benefit pension liability	22	(1,666,000)		(632,000)	
			<u>11,232,151</u>		<u>12,021,172</u>
Net assets					
Funds of the academy trust:					
Restricted funds	17				
- Restricted fixed asset funds		11,579,240		11,848,152	
- Restricted general funds		476,911		-	
- Pension reserve		(1,666,000)		(632,000)	
		<u>10,390,151</u>		<u>11,216,152</u>	
Total restricted funds					
Unrestricted income funds	17	842,000		805,020	
		<u>11,232,151</u>		<u>12,021,172</u>	
Total funds					

The financial statements set out on pages 24 to 47 were approved by the board of trustees and authorised for issue on 01 December 2016 and are signed on its behalf by:

A Calder
Chair

A Calder

TRINITY ACADEMY NEWCASTLE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

		2016		2015	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	20		487,229		(61,313)
Cash funds transferred on conversion	25		-		878,864
			<hr/>		<hr/>
			487,229		817,551
Cash flows from investing activities					
Interest received		1,374		250	
Capital grants from DfE and EFA		9,164		8,658	
Payments to acquire investments		(1)		-	
		<hr/>		<hr/>	
			10,537		8,908
Change in cash and cash equivalents in the reporting period					
			<hr/>		<hr/>
			497,766		826,459
Cash and cash equivalents at beginning of the year			826,459		-
			<hr/>		<hr/>
Cash and cash equivalents at end of the year			<u>1,324,225</u>		<u>826,459</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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 2015 to 2016 issued by EFA, 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 Academy Trust. Monetary amounts in these financial statements are rounded to the nearest £1, except where otherwise indicated.

Transition to FRS102

These financial statements are the first financial statements of Trinity Academy Newcastle prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Trinity Academy Newcastle for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26.

Going concern

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

Basis of consolidation

The Academy Trust has not prepared consolidated accounts, on the grounds that the inclusion of the subsidiary undertaking is not material for the purposes of giving a true and fair view (Companies Act Section 405).

Income

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

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Grants

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

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

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

Donations

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

Other income

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

Interest Receivable

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £1,000 or more (Machinery, Equipment and Vehicles) and £10,000 or more (Land, Buildings and improvements) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

Leased assets

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

Taxation

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

Pensions benefits

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

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

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.

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

Fund accounting

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

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

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

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

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 financial liabilities are recognised when the 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.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

3 Donations and capital grants

	Unrestricted funds	Restricted funds	Total 2016	Total 6 months ended 31 August 2015
	£	£	£	£
Capital grants	-	9,164	9,164	8,658
	=====	=====	=====	=====

The income from donations and capital grants was £9,164 (2015: £8,658) of which £9,164 was restricted (2015: £-) and £- was restricted fixed assets (2015: £8,658).

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

4 Funding for the academy trust's educational operations

	Unrestricted funds	Restricted funds	Total 2016	Total 6 months ended 31 August 2015
	£	£	£	£
DfE / EFA grants				
General annual grant (GAG)	-	2,844,139	2,844,139	854,323
Other DfE / EFA grants	-	363,491	363,491	40,264
	-	3,207,630	3,207,630	894,587
Other government grants				
Local authority grants	-	1,472,915	1,472,915	1,073,479
Total funding	-	4,680,545	4,680,545	1,968,066

The income from funding for educational operations was £4,680,545 (2015: £1,968,066) of which £4,680,545 was restricted (2015: £1,968,066).

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

5 Other trading activities

	Unrestricted funds	Restricted funds	Total 2016	Total 6 months ended 31 August 2015
	£	£	£	£
Income from recharge of services	26,975	-	26,975	23,816
Catering income	10,359	-	10,359	2,255
Other income	8,077	-	8,077	10,725
	45,411	-	45,411	36,796

The income from other trading activities was £45,411 (2015: £36,796) of which £45,411 was unrestricted (2015: £36,796).

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

6 Investment income

	Unrestricted funds	Restricted funds	Total 2016	Total 6 months ended 31 August 2015
	£	£	£	£
Short term deposits	1,374	-	1,374	250

The income from funding for investment income was £1,374 (2015: £250) of which £1,374 was unrestricted (2015: £250).

7 Expenditure

	Staff costs	Premises & equipment	Other costs	Total 2016	Total 6 months ended 31 August 2015
	£	£	£	£	£
Academy's educational operations					
- Direct costs	2,804,659	260,371	450,298	3,515,328	1,555,256
- Allocated support costs	431,357	218,777	268,053	918,187	653,186
Total expenditure	3,236,016	479,148	718,351	4,433,515	2,208,442

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor		
- Audit	8,500	8,000
- Other services	3,950	4,800
Operating lease rentals	4,743	2,527
Net interest on defined benefit pension liability	17,000	10,000
Depreciation of tangible fixed assets	260,371	147,369

Central services

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

The amounts charged during the year were as follows:

	Total £
Trinity Academy Newcastle	(53,572)
Trinity Solutions Academy	53,572
	-

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Charitable activities

	Unrestricted funds	Restricted funds	Total 2016	Total 6 months ended 31 August 2015
	£	£	£	£
Direct costs - educational operations	-	3,515,328	3,515,328	1,555,256
Support costs - educational operations	9,805	908,382	918,187	653,186
	<u>9,805</u>	<u>4,423,710</u>	<u>4,433,515</u>	<u>2,208,442</u>

The expenditure on educational operations was £4,433,515 (2015: £2,208,442) of which £9,805 was unrestricted (2015: £12,800), £4,163,339 was restricted (2015: £2,048,273) and £260,371 was restricted fixed assets (2015: £147,369).

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Charitable activities (Continued)

	2016 £	2015 £
Analysis of support costs		
Support staff costs	431,357	452,978
Technology costs	53,470	15,895
Premises costs	218,777	85,866
Other support costs	172,706	67,971
Governance costs	41,877	30,476
	<u>918,187</u>	<u>653,186</u>

9 Staff costs

	2016 £	6 months ended 31 August 2015 £
Wages and salaries	2,329,158	1,192,958
Social security costs	190,791	85,689
Other pension costs	392,096	216,880
	<u>2,912,045</u>	<u>1,495,527</u>
Total staff costs	2,912,045	1,495,527
Supply staff costs	294,478	110,069
Staff restructuring costs	4,500	-
Staff development and other staff costs	24,993	4,427
	<u>3,236,016</u>	<u>1,610,023</u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	72	68
Administration and support	14	19
Management	8	8
	<u>94</u>	<u>95</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

9 Staff costs (Continued)

Higher paid staff

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

	2016 Number	2015 Number
60,001 - 70,000	1	-
100,001 - 110,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the leadership team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £578,886 (2015 (full year): £592,085).

10 Trustees' remuneration and expenses

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

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

W Curley (Principal) received a salary of £107,210 and employer pension contributions of £5,889 (2015: £61,163 6 months).

S A Hodgson (Staff trustee) £30,001 - £40,000 (2015: £20,001 - £30,000 6 months)

M Higgins (Staff trustee) £30,001 - £40,000 (2015: £10,001 - £20,000 6 months)

During the year ended 31 August 2016, travel and subsistence expenses totalling £nil (2015: £nil) were reimbursed to Trustees.

Related party transactions are set out in Note 23.

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides unlimited cover for on any one claim and the cost for the year ended 31 August 2016 was included in the total general premium of £11,849 (2015: £3,750).

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2015 and 31 August 2016	11,923,000	46,797	17,183	11,986,980
Depreciation				
At 1 September 2015	119,230	10,956	17,183	147,369
Charge for the year	238,460	21,911	-	260,371
At 31 August 2016	357,690	32,867	17,183	407,740
Net book value				
At 31 August 2016	11,565,310	13,930	-	11,579,240
At 31 August 2015	11,803,770	35,841	-	11,839,611

13 Fixed asset investments

	Subsidiary Undertaking £
Market value	
At 1 September 2015	-
Acquisitions at cost	1
At 31 August 2016	1
Historical cost:	
At 31 August 2016	1
At 31 August 2015	-

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

13 Fixed asset investments (Continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Trinity Post 16 Solutions Limited (Co 09922889)	UK	Private Limited Company without Share Capital	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Principal activities	Capital and reserves	Profit/(loss) for the year
	£	£
Trinity Post 16 Solutions Limited (Co 09922889)	To provide post 19 LLDD education	
	22,307	22,307

Trinity Post 16 Solutions Limited was incorporated on 18 December 2015. The company is wholly owned by the Academy Trust, but has not been consolidated, on the grounds that the inclusion of the subsidiary undertaking is not material for the purposes of giving a true and fair view (Companies Act Section 405). The company began trading on 1 August 2016.

14 Debtors	2016	2015
	£	£
Trade debtors	52,688	-
VAT recoverable	50,743	54,234
Prepayments and accrued income	4,996	36,532
	<u>108,427</u>	<u>90,766</u>

15 Creditors: amounts falling due within one year	2016	2015
	£	£
Amounts owed to group undertakings	22,307	-
Accruals and deferred income	91,435	103,664
	<u>113,742</u>	<u>103,664</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

16 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Financial assets measured at amortised cost	1,376,913	862,991
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	(113,742)	(103,664)

17 Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses & transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	-	2,844,139	(2,367,228)	-	476,911
Other DfE / EFA grants	-	363,491	(363,491)	-	-
Other government grants	-	1,472,915	(1,472,915)	-	-
DfE/EFA capital grants	-	9,164	(17,705)	8,541	-
Funds excluding pensions	-	4,689,709	(4,221,339)	8,541	476,911
Pension reserve	(632,000)	-	58,000	(1,092,000)	(1,666,000)
	(632,000)	4,689,709	(4,163,339)	(1,083,459)	(1,189,089)
Restricted fixed asset funds					
DfE / EFA capital grants	8,541	-	-	(8,541)	-
Inherited funds	11,839,611	-	(260,371)	-	11,579,240
	11,848,152	-	(260,371)	(8,541)	11,579,240
Total restricted funds	11,216,152	4,689,709	(4,423,710)	(1,092,000)	10,390,151
Unrestricted funds					
General funds	805,020	46,785	(9,805)	-	842,000
Total funds	12,021,172	4,736,494	(4,433,515)	(1,092,000)	11,232,151

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Funds (Continued)

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

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

Other DfE/EFA grants and Government Grants - The Income includes Pupil Premium, PE Teachers grant, Summer school grants, high needs top up income and 16-19 School Funding, which was spent in the year.

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

DfA / EFA Capital Grants - The income relates to capital funding which has been received from the EFA for utilisation on building improvements and refurbishments. It is anticipated that the balance of these funds will be utilised in full by the end of the current academic year.

Inherited assets - The balance represents the total capital expenditure. Depreciation is charged to the fund over the life of the related assets.

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

Transfers - Transfers relate to reallocation of capital grants.

Total funds analysis by academy

	Total £
Fund balances at 31 August 2016 were allocated as follows:	
Trinity Academy Newcastle	583,822
Trinity Solutions Academy	735,089
	<hr/>
Total before fixed assets fund and pension reserve	1,318,911
	<hr/>
Restricted fixed asset fund	11,579,240
Pension reserve	(1,666,000)
	<hr/>
Total funds	11,232,151
	<hr/> <hr/>

On 1 January 2016 the Academy converted to a multi-academy trust, with activities split between Trinity Academy Newcastle and Trinity Solutions Academy.

The split of funds by Academy prior to conversion to a multi-academy trust has been estimated based on historic academy financial outturns.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation and defined benefit pension adjustment	Total
	£	£	£	£	£
Trinity Academy Newcastle	2,108,602	412,903	115,462	390,907	3,027,874
Trinity Solutions Academy	700,556	88,955	296,491	117,268	1,203,270
	<u>2,809,158</u>	<u>501,858</u>	<u>411,953</u>	<u>508,175</u>	<u>4,231,144</u>

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	11,579,240	11,579,240
Fixed asset investments	1	-	-	1
Current assets	850,540	582,112	-	1,432,652
Creditors falling due within one year	(8,541)	(105,201)	-	(113,742)
Defined benefit pension liability	-	(1,666,000)	-	(1,666,000)
	<u>842,000</u>	<u>(1,189,089)</u>	<u>11,579,240</u>	<u>11,232,151</u>

19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	3,992	3,760
Amounts due between one and five years	2,949	3,009
	<u>6,941</u>	<u>6,769</u>

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

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

20 Reconciliation of net income to net cash flows from operating activities

	2016	2015
	£	£
Net income for the reporting period	302,979	11,988,172
Adjusted for:		
Transferred on conversion	-	(12,182,844)
Capital grants from DfE/EFA and other capital income	(9,164)	(8,658)
Interest receivable	(1,374)	(250)
Defined benefit pension scheme cost less contributions payable	(75,000)	(28,000)
Defined benefit pension scheme finance cost/(income)	17,000	10,000
Depreciation of tangible fixed assets	260,371	147,369
(Increase)/decrease in debtors	(17,661)	(90,766)
Increase/(decrease) in creditors	10,078	103,664
Net cash provided by operating activities	<u>487,229</u>	<u>(61,313)</u>

21 Members' liability

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

22 Pensions 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 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014.

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

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

22 Pensions and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- 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%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 the TPS in the period amounted to £136,096 (2015: £64,742).

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 scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The expected service cost for the year ended 31 August 2017 is £454,000.

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.

Total contributions made	2016 £	2015 £
Employer's contributions	331,000	168,000
Employees' contributions	77,000	40,000
Total contributions	<u>408,000</u>	<u>208,000</u>

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

22 Pensions and similar obligations (Continued)

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2016 by a qualified independent actuary.

Principal actuarial assumptions	2016	2015
	%	%
Rate of increases in salaries	3.4	3.6
Rate of increase for pensions in payment	1.9	2.1
Discount rate	2.0	3.8
Inflation assumption (CPI)	3.0	3.2

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

	2016	2015
	Years	Years
Retiring today		
- Males	23.2	23.1
- Females	24.8	24.7
Retiring in 20 years		
- Males	25.3	25.1
- Females	27.1	27.0

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

	2016	2015
	Fair value	Fair value
	£	£
Equities	1,424,000	958,000
Government Bonds	82,000	52,000
Corporate Bonds	247,000	168,000
Cash	64,000	46,000
Property	215,000	135,000
Other assets	116,000	88,000
Total fair value of assets	2,148,000	1,447,000

Actual return on scheme assets - gain/(loss)	301,000	57,000
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Amounts recognised in the statement of financial activities

	2016	2015
	£	£
Current service cost	256,000	140,000
Net interest cost	17,000	10,000

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

22 Pensions and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2016
	£
Obligations at 1 September 2015	2,079,000
Current service cost	256,000
Interest cost	80,000
Employee contributions	77,000
Actuarial loss	1,330,000
Benefits paid	(8,000)
	<hr/>
At 31 August 2016	3,814,000
	<hr/> <hr/>

Changes in the fair value of the academy trust's share of scheme assets	2016
	£
Assets at 1 September 2015	1,447,000
Interest income	63,000
Return on plan assets (excluding net interest on the net defined pension liability)	238,000
Employer contributions	331,000
Employee contributions	77,000
Benefits paid	(8,000)
	<hr/>
At 31 August 2016	2,148,000
	<hr/> <hr/>

23 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Fresh Thinking Consultancy Limited - a company which C Venosa (a Trustee of the Trust) has control over:

- The trust purchased consultancy services totalling £18,500 (2015: £2,000) during the year. There were no amounts outstanding at 31 August 2016 (2015: £nil).

24 Agency arrangements

The academy trust administers the disbursement of discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. Bursary funding of £39,254 was received and £66,353 disbursed in the year.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

25 Conversion to an academy

The following School's converted to Academy Trust status under the Academies Act 2010 on the following dates:

Predecessor School	Conversion date	Local Authority
Trinity School	1 March 2015	Newcastle City Council
Trinity Solutions	1 March 2015	Newcastle City Council

All the operations, assets and liabilities were transferred to Trinity Academy Newcastle from Newcastle City Council for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £
Budget surplus on LA funds	866,166	-	-	866,166
LGPS pension deficit	-	(683,000)	-	(683,000)
Capital budget surplus	-	-	12,698	12,698
Fixed assets	-	-	11,986,980	11,986,980
	866,166	(683,000)	11,999,678	12,182,844

The above net assets include £878,864 that was paid over in cash.

All leasehold properties transferred from the local authority were transferred on a 125 year lease.

TRINITY ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

26 Reconciliations on adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the period ended 31 August 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of funds for the previous financial period

	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	12,021,172
	<u><u> </u></u>

Reconciliation of net income for the previous financial period

	2015 £
Net income as reported under previous UK GAAP	12,007,172
Adjustments arising from transition to FRS 102:	
Changes in recognition of LGPS	(19,000)
Net income reported under FRS 102	11,988,172
	<u><u> </u></u>

Notes to reconciliations on adoption of FRS 102

(A) Changes in recognition of LGPS

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net expense, based on the net defined benefit liability, is recognised as an expense. There has been no change in the defined benefit liability at either 1 March 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expenses by £19,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

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

In accordance with the terms of our engagement letter dated 3 December 2015 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2015/6, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Trinity Academy Newcastle during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Trinity Academy Newcastle and the EFA in accordance with the terms of our engagement letter dated 3 December 2015. Our work has been undertaken so that we might state to the Trinity Academy Newcastle and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trinity Academy Newcastle and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Trinity Academy Newcastle's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Trinity Academy Newcastle's funding agreement with the Secretary of State for Education dated 1 January 2016 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015/16. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015/16 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP

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

Dated: 02 December 2016
