

Company Registration No: 08449062 (England and Wales)

TRINITY ACADEMY NEWCASTLE
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED TO 31 AUGUST 2017

TRINITY ACADEMY NEWCASTLE
REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Calder L Ellison S Elliot
Trustees	*L Ellison *S Elliott (Vice chair) C Black C Venosa (Resigned 16 January 2017) *K Meikle W Curley (Accounting Officer) M Higgins (Resigned 1 January 2017) S Hodgson (Resigned 1 January 2017) P Surtees (Resigned 16 March 2017) A Florance (Resigned 2 May 2017) J Leoyord (Resigned 30 September 2016) S Willmott (Appointed 17 August 2017) *P Carter (Chair) (Appointed 17 August 2017) J Calvert (Appointed 30 March 2017) Z Edmonds (Appointed 1 December 2016) J Marshall (Appointed 1 December 2016) S Jeavons (Appointed 1 December 2016) J Smith (Appointed 17 January 2017)
Members of the Finance and Audit Committee	*Members of the Finance, Audit & Premises Committee
Company Secretary	J Renwick
Senior Management Team:	
<ul style="list-style-type: none">• CEO• Acting Headteacher• Head of School (Business)• Head of School (Pastoral)• Head of School (Teaching & Learning & Post 16)	W Curley P Tully J Renwick M Flint L McNally
Academies operated Trinity Academy Newcastle Trinity Solutions Academy	Location Newcastle upon Tyne Newcastle upon Tyne
Principal and Registered Office	Condercum Road Newcastle upon Tyne NE4 8XJ
Company Registration Number	08449062 (England and Wales)

TRINITY ACADEMY NEWCASTLE
REFERENCE AND ADMINISTRATIVE DETAILS

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

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates two academies and a private limited company.

- Trinity Academy Newcastle – Special Academy – Educates pupils aged 7-16, who have a Statement of Special Educational Needs or Education, Health and Care Plan for Social, Emotional and Mental Health (SEMH). Serving a regional wide catchment area. It has a pupil capacity of 160 and a roll of 154 students in the school census in July 2017.
- Trinity Solutions Academy – Post 16 Mainstream Academy provides vocational study programme for learners aged 16-19 serving a regional wide catchment area. It has a learner capacity of 344 which includes 10 higher needs commissioned places and had a roll of 105 learners of the ILR return (R013 Return). Although the learner's numbers were lower than expected, processes have been put in place to assist in increasing student's numbers moving forward.
- Trinity Post 16 Solutions Limited – Private limited company offering bespoke educational programmes to 19-25 learners with learning disabilities (LLDD) learners serving a regional wide catchment area. It has a learner capacity of 15 and had a roll of 18 learners on the ILR return (R013 return).

Structure, Governance and Management

Constitution

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

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

Articles of Association, 50-64 state:

50. The Members may appoint up to 3 Trustees.

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

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

51. Not used.

52. Not used.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (continued)

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

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

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

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

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

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

CO-OPTED TRUSTEES

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

60 – 64. Not used.

Policies and procedures adopted for the induction and training of trustees

Support of new trustees: -

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

New trustees will be provided with the following:

- The DfE's 'A competency Framework for Governance' guidance document
- The DfE's 'Governance Book'
- Organisational chart including staffing responsibilities
- Last Ofsted report
- Copy of the SIS
- Copies of the latest Annual Reports
- Copies of newsletters including Trustee newsletters
- Copies of the minutes from the three most recent Board meetings
- A schedule of upcoming Board meetings
- Details of committee meetings and their terms of reference (if they are committee members)
- The Code of Conduct for Trustees
- A copy of the latest Headteacher report

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (continued)

- Copy of the Terms and Holidays calendar
- Contact details of the Chair, Clerk and Trust
- New Trustees will receive any policies which relate to their responsibilities
- Username/password to access One Drive

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

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

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

Organisational Structure

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

The Board of Directors has overall responsibility and is ultimately accountable for the academies within the Trust. They hold the Chief Executive to account, who in turn holds the Acting Head Teacher and Heads of School to account.

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

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

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

Trinity Academy Newcastle MAT Executive Leadership Team consists of the Chief Executive Officer, 1 Acting Head teacher and heads of school. The Executive Team leads and manages the Trust at an Executive level, steering the direction of the Trust in line with strategic plans and developing opportunities.

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

Arrangements for setting pay and remuneration of key management personnel

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

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

Related Parties and co-operation with other organisations

There is one related party, Fresh Thinking Consultancy, with which the academy has transactions, this is detailed in note 25.

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

Objectives and Activities

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

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

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

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

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

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

The School Improvement Model

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

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

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (continued)

- Maximises the use of school to school support
- Articulates high expectations of teachers and learners

Objectives 2016-2019:

On our journey to deliver against the 3 year strategic objectives in 2016-19 we will focus on the following:

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

Objective

Developing Leadership and Management of TAN MAT

Performance

Through the governance competency skills matrix we identified the necessary skill set needed to develop the Board of Directors. With a planned recruitment strategy, which utilised Academy Ambassadors to introduce those Trustees with appropriate skills; we recruited several Trustees. The Board now has Trustees with a diverse range of skills and experience which will better serve the Trust going forward.

School improvement

A robust process of performance management is in place which now links seamlessly with the Teaching and Learning quality assurance cycle and data dashboard, thus identifying issues regarding performance/capability in a timely manner. This has enhanced our ability to deliver support/CPD in a more focussed way, producing better results.

Effectiveness

The Trust has reviewed its structure in a number of key areas to address changing organisational need, including direct and non direct teaching and learning posts. This review extensively looked at staffing ratios and contact ratios across its academies and resulted in a streamlining process and several roles being deleted.

Raising Standards of educational achievements of all learners

See achievements and performance section.

Expand the number of academies in the Trust

TAN MAT has been successful in its application to become a sponsor academy and is awaiting a match. A growth strategy has been developed by the Board and the CEO is actively networking with Authorities across the region to promote the work of the trust. The CEO and CFO actively take part in sponsor networking opportunities delivered by the ESFA.

Public Benefit

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

STRATEGIC REPORT

Achievements and Performance

Achievement

- More students are making and exceeding expectations in core subjects than the previous year.
- Disadvantaged student's achievement is alongside and often above that of students not eligible for the grant.
- Key Stage 4 students left with an average of seven (Four 2015/16) qualifications including five GCSE's.
- Key Stage 4 students achieving English and Maths GCSE have significantly improved – English 52% (39% 2015/16) and Maths 52% (32% 2015/16).
- The longer a student attends the Trust, the more qualifications they gain.
- Key Stage 2 significant improvement in students reaching their potential by achieving scores closer to their estimates that previous years.
- 86% of students attending Trinity Post 16 Solutions Limited progressed onto employment or further education.
- 89% of students attending Trinity Post 16 Solutions Limited achieved their core aim.
- Trinity Solutions Academy is significantly above the national average for GCSE's.
- Trinity Solutions Academy retains a 79% (79% 2015/16) retention rate and a 79% (79% 2015/16) achievement in core aims.

Attendance

- Trinity Academy Newcastle attendance finished at an Academy high of 91% (90% 2015/16), a 3.1 percentage point improvement over the last five years.
- Trinity Post 16 Solutions Limited had a record high attendance of 97% in 2016/17.
- The Trust has invested in attendance champions, as well as an attendance support assistant whose role is to transport students to and from school.
- Students have significantly improved their attendance since joining the Trust.

Behaviour

- The Trust has developed their own unique 'Behaviour Leadership' program enabling to support staff within the Trust along with offering training for colleagues outside the Trust.
- The Trust achieved Team Teach Gold status and holds the authority training provider licence for our region.
- The Trust has achieved the ABMQ bronze award in recognition of our proactive anti-bullying ethos, Trust students, staff, parents and carers are proud of our Anti-Bullying ethos and outstanding practice.
- The Trust has dramatically reduced bullying incidents since academic year 2011/12 – no bullying incidents were recorded in 2016/17 compared to one in 2015/16. The Trust anti-bullying training continues to be delivered.

Governance

- The Board have led and supported the drive to become a multi-academy trust and has gained approval as a sponsor.
- The Board structure has been streamlined to make it more efficient and effective.
- The Board has recently appointed a number of highly skilled and experienced Trustees, which has significantly developed the breadth of skills and expertise within the Board.

Appraisal

- The appraisal system is now an integral part of the teaching and learning cycle.
- The Trust has developed their own standards, linked to the National Standards, for all teaching and learning support staff.
- The Trust has rolled out for all new staff a new, robust induction process.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (continued)

SMSC

- Our core values of kindness, calmness and honesty are continuously promoted, reinforced and rewarded. Democratic British Values are promoted and reinforced explicitly in dedicated lesson time through assemblies and wall displays, as well as implicitly through the Trusts expectations of conduct and behaviour.
- The Trusts focus on the importance of making positive choices and developing personal responsibility has led to a decrease in aggregation towards staff and student which in turn ensures that students feel safe in the Trust.
- Acceptance of others has been continuously reinforced through the curriculum. As a result of this, there have been no homophobic incidents since 2013-2014.

Parenting

- The Trust achieved the Leading Parent Partnership Award (LPPA).
- PREPARE – Positive relationship; Responsibility; Empathy; Praise; Articulate; Resilience; Evaluate. These values and principles have been fully embedded into every lesson.
- The Trust is committed to parenting; this is demonstrated by investing in a Lead teacher for parenting across the Trust, as well as a specialist Trustee.

Safeguarding

- The Trust has become an Operation Encompass Trust working in collaboration with Northumbria Police and Newcastle Children Social Care in identifying those students and young people who were involved in any domestic abuse incident on the previous day. In our first year of operating the Trust had 34 Operation Encompass Notifications.
- The Trust has ensured that all designated safeguarding persons have undertaken 'keeping children safe in education', 'effective record keeping', 'domestic abuse' and 'understanding the impact of Mental and Emotional Health Issue' training.
- The Trust has developed a Mental Health development plan, to ensure that the culture around Mental Health awareness and wellbeing increases the resilience in our students.

Teaching and Learning

- Four Middle Leaders undertook OTL training and improved from Good to Outstanding.
- Digital Technology is now recorded as part of OTL to support the digital technology drive across the Trust.
- The Trust has implemented a clear process for moderation and termly reporting.

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

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets. In accordance with Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Effective 1 January 2015) (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the asset concerned. During the year, £13,232 was received in respect of Devolved Formula Capital grants.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (continued)

Trinity Post 16 Solutions Limited was incorporated on 18 December 2015 as a trading subsidiary of the Trust, being a DFE requirement post-conversion to allow the continuation of Post 19 education. Although the Limited Company was incorporated in 2015, the company did not start trading until August 2016. The directors of the Limited Company agreed that any surplus as of 31 August 2017 will be gifted to Trinity Solutions Academy.

During the year ended 31 August 2017 total income of £4,633,728 (2016: £4,736,494) was received and total expenditure of £4,726,567 (2016: £4,433,515) was incurred. The excess of total income over expenditure for the year (including other gains/losses) was £566,161 (2016: £789,021 deficit).

Financial and Risk Management Objectives and Policies

The Trust is subject to a number of risks and uncertainties in common with other academies and has in place procedures to identify, record and mitigate all risks including financial risk.

The directors have reviewed the risk register in full during the year. During 2016-17, the risk register has been further developed to ensure key risks are clearly identified and our Health and Safety Committee has completed a more detailed assessment of our risks.

Due to the complexity of current cohorts of students, the Trust faces increased risks in relation to Health & Safety and safeguarding. The Trust has produced a health and safety/safeguarding three year development plan, whilst auctioning any urgent safeguarding developments throughout the year such as installing barriers, changing reception areas and changing external doors.

The viability of the Trust in a growing landscape has been focussed on during the period and the Trust have embarked on a marketing strategy which has involved developing a trust webpage, increasing networking and the development of the ICT development plan compatible with the Trust growth and financial planning.

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

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

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

Reserves Policy

The Board reviews the reserve level of the academies annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Board has determined that the appropriate level of free reserves should be equivalent to two to six months' Trust salaries. The Trust has also allocated £300k of the free reserves for the Planned Structural and Curriculum Development Programme.

The Trust's current level of free reserves (before fixed asset fund and pension reserve) are £1,666,216. The Trust currently holds just over five months Trust salaries including supply salaries.

TRINITY ACADEMY NEWCASTLE

TRUSTEES' REPORT (continued)

Investment Policy

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

Key financial performance indicators

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

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

Trinity Academy Newcastle is pleased to report that all of the academies within the Trust made good progress against the key achievement and performance areas during 2016-2017. Trinity Post 16 Solutions Limited had a very successful first year, at the year-end they had 18 LLDD students on roll, resulting in their budget allocation being increased in 2017-2018.

None of the Academies were subject to an Ofsted inspection during the academic year, all remain rated good.

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

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

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

The Trust uses the following factors for benchmarking purposes:

Ratio of pupils to adults

	National	Trinity
Qualified teachers within school	1.7	1.8
Qualified and unqualified teachers within school	1.6	1.7
Adults within school	1.2	1.3

Contact Ratio ASCL advocates 0.78 as an aspirational target for the ratio, Trinity has a ratio of 0.73 (2016: 0.76)

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.

Strategic Planning 2016-2019

Strategic objectives – as a Multi Academy Trust we have clear strategic aims which are founded on our mission and values. This plan sets out the following objectives to ensure that as a Trust, the public, parents and all stakeholders have confidence in our approach. We aim to deliver in:

Strategic Governance:

To ensure that the Board of Directors of TAN MAT acts in the best interests of the Trust; governing lawfully in accordance with its Articles of Association and having governance arrangements that:

- Ensure clarity of vision, ethos and strategic direction;
- Hold executive leaders to account for the educational performance of the MAT and its pupils, and the performance management of staff; and
- Oversee the financial performance of TAN MAT, making sure its money is well spent.

School Improvement – Teaching & Learning:

To ensure that our academies provide the very best teaching in order to promote and provide high quality learning for our children and young people and that there is support in place for teachers to achieve this and make a difference for our pupils.

Continued professional development:

To implement a CPD programme for our academies to ensure that our staff have the right skills to further raise standards and deliver good teaching and learning and disseminate good practice to ensure the rapid improvement.

Quality assurance:

To ensure that there is a rigorous and robust programme of Quality Assurance that helps to support teachers, build expertise and capacity and raise standards in our academies to deliver positive outcomes for pupils.

Integrated support & shared services:

To ensure that the Trust has business arrangements that are efficient and effective and enables it to deliver on its commitments to grow and prosper and delivery value for money across all the Trust. Delivering best practice, minimisation of risk and for management of resources to be concentrated to the front line of our academies.

Auditor

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

Statement as to disclosure of information to auditor

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

The Trustees' report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 13 December 2017 and signed on its behalf by:



P Carter
Chair

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Trinity Academy Newcastle Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Director	Meetings attended	Out of a possible
A Calder	4	4
L Ellison	4	4
S Elliott (Vice chair)	2	4
C Black	4	4
C Venosa (Resigned 16 January 2017)	1	2
K Meikle	4	4
W Curley (Accounting Officer)	4	4
P Surtees (Resigned 16 March 2017)	2	2
A Florance (Resigned 2 May 2017)	2	3
J Leoyord (Resigned 30 September 2016)	0	0
J Calvert (Appointed 30 March 2017)	2	2
J Smith (Appointed 17 January 2017)	1	2
Z Edmonds (Appointed 1 December 2016)	3	3
J Marshall (Appointed 1 December 2016)	3	3
S Jeavons (Appointed 1 December 2016)	1	3

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

- Review and authorisation of the annual budget.
- Regular monitoring of actual expenditure and income against budget.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985, Charity Commission and the ESFA guidance issued to Academies.
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation.
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the Board.
- Ensuring compliance with the Funding Agreement.
- To review the financial policies of the Trust and where necessary make recommendations to the Board.
- Authorising changes to the Trust personnel establishment.
- Review the Health and Safety and the Risk Management of the Trust.
- Review developments of the Trust.

TRINITY ACADEMY NEWCASTLE
GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
A Calder	5	5
L Ellison	5	5
S Elliott	3	5
K Meikle	3	5
W Curley (Accounting Officer)	5	5
P Surtees	2	3
A Florance	0	3
D Edmonson	1	2

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

- Non-Financial Policies
- Student Wellbeing
- Governor reports and training
- Attendance
- Teaching and learning
- Pupil premium
- LAC
- Assessment and attainment
- Student results
- Staffing report

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
A Calder	4	4
L Ellison	4	4
S Elliott	2	4
C Black	4	4
C Venosa	0	2
W Curley	4	4

Review of Value for Money

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

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

- Restructure of staffing – based on benchmarking, ratios and recommended practice.
- Review of the curriculum – cost per lesson, cost per student, engagement and achievement grades.
- Catering Provision at Trinity Solutions Academy – The cost of lunches at Trinity Solutions Academy was reviewed. Due to this, unit cost reduced from £2.65 per meal to £2.00 per

TRINITY ACADEMY NEWCASTLE

GOVERNANCE STATEMENT (continued)

meal. Also the uptake of meals has increased due to the options now available, which has helped to retain students.

- Purchase of new mini buses – Prior to purchasing the new mini buses; the Trust spent increasing funds on hiring mini buses from a private company. Due to these costs, the Trust was not able to participate in all offsite activities as planned. Since purchasing the mini buses the Trust has increase offsite activities increasing attendance/ engagement.
- Review of breakfast club – Due to the increasing student population, a review of the breakfast club highlighted a need for further resources. To offset the costs, the Trust applied for a number of breakfast club grants. The Trust was awarded £1,000 from Kellogg's during the period.

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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The Risk and Control Framework

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

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

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

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

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

RSM Risk Assurance Services LLP reports to the board of trustees, through the Finance, Audit & Premises Committee on the operation of the systems of control and on the discharge of the board of

TRINITY ACADEMY NEWCASTLE
GOVERNANCE STATEMENT (continued)

trustees' financial responsibilities. RSM Risk Assurance Service LLP has delivered their schedule of work as planned, all recommendations have been reviewed and processes have been put in place.

Review of Effectiveness

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

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

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

Approved by order of the members of the Board on 13 December 2017 and signed on its behalf by:



P Carter
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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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


W Curley
Accounting Officer

TRINITY ACADEMY NEWCASTLE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

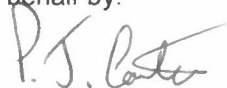
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2017 and signed on its behalf by:



P Carter
Chair

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TRINITY ACADEMY NEWCASTLE
YEAR ENDED 31 AUGUST 2017**

Opinion on financial statements

We have audited the financial statements of Trinity Academy Newcastle (the "academy trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TRINITY ACADEMY NEWCASTLE
YEAR ENDED 31 AUGUST 2017**

Opinions on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees (who act as directors for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TRINITY ACADEMY NEWCASTLE
YEAR ENDED 31 AUGUST 2017**

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

L. Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Date 14/12/17

TRINITY ACADEMY NEWCASTLE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted General	Restricted Fixed Asset	Total 2017	Total 2016
	Note	£	£	£	£	£
Incoming and endowments from:						
Donations and capital grants	3	-	-	13,232	13,232	9,164
Charitable activities:						
-Funding for educational operations	4	-	4,565,146	-	4,565,146	4,680,545
Other trading activities	5	54,299	-	-	54,299	45,411
Investments	6	1,051	-	-	1,051	1,374
Total income and endowments		<u>55,350</u>	<u>4,565,146</u>	<u>13,232</u>	<u>4,633,728</u>	<u>4,736,494</u>
Expenditure on:						
Charitable activities						
-Educational operations	8	<u>36,214</u>	<u>4,434,107</u>	<u>256,246</u>	<u>4,726,567</u>	<u>4,433,515</u>
Total expenditure	7	<u>36,214</u>	<u>4,434,107</u>	<u>256,246</u>	<u>4,726,567</u>	<u>4,433,515</u>
Net (expenditure)/income		19,136	131,039	(243,014)	(92,839)	302,979
Transfers between funds	18	<u>-</u>	<u>(16,870)</u>	<u>16,870</u>	<u>-</u>	<u>-</u>
Other recognised gains and losses		19,136	114,169	(226,144)	(92,839)	302,979
Remeasurement of net defined benefit obligations	23	<u>-</u>	<u>659,000</u>	<u>-</u>	<u>659,000</u>	<u>(1,092,000)</u>
Net movement in funds		<u>19,136</u>	<u>773,169</u>	<u>(226,144)</u>	<u>566,161</u>	<u>(789,021)</u>
Reconciliation of funds						
Total funds brought 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>
Total funds carried forward		<u>861,136</u>	<u>(415,920)</u>	<u>11,353,096</u>	<u>11,798,312</u>	<u>11,232,151</u>

BALANCE SHEETS

AT 31 AUGUST 2017

	Note	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Fixed assets					
Tangible assets	12	11,353,096	11,353,096	11,579,240	11,579,240
		<u>11,353,096</u>	<u>11,353,096</u>	<u>11,579,240</u>	<u>11,579,240</u>
Current assets					
Debtors	14	200,389	200,389	108,427	108,427
Cash at bank and in hand		1,673,360	1,673,360	1,324,225	1,324,225
		<u>1,873,749</u>	<u>1,873,749</u>	<u>1,432,652</u>	<u>1,432,652</u>
Liabilities					
Creditors: amounts falling due within one year	15	(207,533)	(207,533)	(113,741)	(113,741)
		<u>1,666,216</u>	<u>1,666,216</u>	<u>1,318,911</u>	<u>1,318,910</u>
Net current assets					
		<u>13,019,312</u>	<u>13,019,312</u>	<u>12,898,151</u>	<u>12,898,151</u>
Net assets excluding pension liability					
Defined pension liability	23	(1,221,000)	(1,221,000)	(1,666,000)	(1,666,000)
		<u>11,798,312</u>	<u>11,798,312</u>	<u>11,232,151</u>	<u>11,232,151</u>
Net assets					
		<u>11,798,312</u>	<u>11,798,312</u>	<u>11,232,151</u>	<u>11,232,151</u>
Funds of academy trust:					
Restricted funds					
- Restricted fixed asset funds	18	11,353,096	11,353,096	11,579,240	11,579,240
- Restricted general funds	18	805,080	750,240	476,911	476,911
- Pension reserve		(1,221,000)	(1,221,000)	(1,666,000)	(1,666,000)
		<u>10,937,176</u>	<u>10,882,336</u>	<u>10,390,151</u>	<u>10,390,151</u>
Total restricted funds					
		<u>10,937,176</u>	<u>10,882,336</u>	<u>10,390,151</u>	<u>10,390,151</u>
Unrestricted income funds	18	861,136	915,976	842,000	842,000
		<u>11,798,312</u>	<u>11,798,312</u>	<u>11,232,151</u>	<u>11,232,151</u>
Total funds					
		<u>11,798,312</u>	<u>11,798,312</u>	<u>11,232,151</u>	<u>11,232,151</u>

The notes on pages 26 to 48 form part of these financial statements.

The results of the unconsolidated entity charity are total income for the year of £4,386,382 (2016: £4,673,403) and net outgoing resources for the year of £92,839 (2016: £302,979 net incoming resources).

These financial statements were approved by the Board of Trustees and authorised for issue on 13 December 2017 and signed on their behalf by:

P Carter
Chair



TRINITY ACADEMY NEWCASTLE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	21	364,954	487,230
Cash flows from investing activities			
Interest received		1,051	1,374
Capital grants from DfE		13,232	9,164
Payments to acquire tangible fixed assets		(30,102)	-
		(15,819)	10,536
Change in cash and cash equivalents in the reporting period			
		349,135	497,766
Cash and cash equivalents at beginning of the year		1,324,225	826,459
Cash and cash equivalents at end of the year		1,673,360	1,324,225

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

General information

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

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

Basis of preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Trinity Academy Newcastle meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the financial currency of the Academy Trust.

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

Going Concern

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

Consolidation

The group financial statements consolidate, on a line by line basis, those of the company and its subsidiary undertaking, Trinity Post 16 Solutions Limited, over which it exercises control. These financial statements are drawn up to 31 July 2017. Profits or losses on intra-group transactions are eliminated in full.

The group did not prepare consolidated accounts in the prior year on the grounds that the inclusion of the subsidiary undertaking was not material for the purposes of giving a true and fair view.

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

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.

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

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 to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

Charitable activities

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

Tangible fixed assets and depreciation

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

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

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

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

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

Fixed asset investments

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

Liabilities

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

Leased assets

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

Taxation

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

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 in separate director 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.

Termination Benefits

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

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

Financial Instruments

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

Financial assets and liabilities

Financial assets and liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

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

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

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

Derecognition of financial assets or liabilities

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

Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Reduced disclosures

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

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

TRINITY ACADEMY NEWCASTLE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2017

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Capital grants	-	13,232	13,232	9,164
	-	13,232	13,232	9,164

The income from donations and capital grants was £13,232 (2016: £9,164) of which £nil (2016: £nil) was unrestricted, £13,232 (2016: £9,164) was restricted and £nil was restricted fixed assets (2016: £nil).

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
DfE/ESFA REVENUE GRANTS				
General annual grant (GAG)	-	2,529,290	2,529,290	2,844,139
Other DfE/ESFA grants		285,512	285,512	363,491
	-	2,814,802	2,814,802	3,207,630
OTHER GOVERNMENT GRANTS				
Local authority grants	-	1,750,344	1,750,344	1,472,915
	-	4,565,146	4,565,146	4,680,545

The income from funding for educational operations was £4,565,146 (2016: £4,680,545) of which £4,565,146 was restricted (2016: £4,680,545).

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

TRINITY ACADEMY NEWCASTLE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2017

5 Other trading activities

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Income from recharge of services	-	-	-	26,975
Catering income	6,109	-	6,109	10,359
Other income	48,190	-	48,190	8,077
	<u>54,299</u>	<u>-</u>	<u>54,299</u>	<u>45,411</u>

The income from other trading activities was £54,299 (2016: £45,411) of which £54,299 (2016: £45,411) was unrestricted.

6 Investment income

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Short term deposits	1,051	-	1,051	1,374
	<u>1,051</u>	<u>-</u>	<u>1,051</u>	<u>1,374</u>

The income from funding for investment income was £1,051 (2016: £1,374) of which £1,051 (2016: £1,374) was unrestricted.

TRINITY ACADEMY NEWCASTLE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Non Pay Expenditure			2017 Total £	2016 Total £
	Staff Costs	Premises costs	Other costs		
	£	£	£		
Academy's Educational Operations					
-Direct costs	2,813,577	256,246	363,436	3,433,259	3,515,328
-Allocated support costs	653,826	309,396	330,086	1,293,308	918,187
Total expenditure	3,467,403	565,642	693,522	4,726,567	4,433,515

	2017 £	2016 £
Net income/(expenditure) for the year includes:		
Fees payable to auditor		
- Audit	13,300	8,500
- Other services	7,705	3,950
Operating lease rentals:	3,992	4,743
Depreciation of tangible fixed assets	256,246	260,371
Net interest on defined benefit pension liability	30,000	17,000

Central services

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

The amounts charged during the year were as follows:

	2017 £	2016 £
Trinity Academy Newcastle	189,825	(53,572)
Trinity Solutions Academy	(189,825)	(53,572)
	-	-

TRINITY ACADEMY NEWCASTLE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities – academy’s educational operations

	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Direct costs – educational operations	-	3,433,259	3,433,259	3,515,328
Support costs – educational operations	36,214	1,257,094	1,293,308	918,187
	<u>36,214</u>	<u>4,690,353</u>	<u>4,726,567</u>	<u>4,433,515</u>

The expenditure on educational operations was £4,726,567 (2016: £4,433,515) of which £4,434,107 (2016: £4,163,339) was restricted, £36,214 (2016: £9,805) was unrestricted and £256,246 (2016: £260,371) was restricted fixed assets.

Analysis of Support Costs

	2017 £	2016 £
Support staff costs	653,826	406,364
Technology costs	37,916	53,470
Premises costs	309,396	218,777
Other support costs	197,223	197,699
Governance costs	87,563	41,877
	<u>1,285,924</u>	<u>918,187</u>

9 Staff

	2017 £	2016 £
Staff costs		
Staff costs during the year were:		
Wages and salaries	2,450,529	2,329,158
Social security costs	214,842	190,791
Pension costs	611,121	392,096
Total staff costs	<u>3,276,492</u>	<u>2,912,045</u>
Supply staff costs	144,526	294,478
Restructuring costs	46,385	4,500
	<u>3,467,403</u>	<u>3,211,023</u>

Staff restructuring costs comprise redundancy payments of £4,385 (2016: £4,500) and severance payments of £42,000 (2016: £nil).

TRINITY ACADEMY NEWCASTLE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £42,000. Individually these payments were £7,000, £20,000, £12,000 and £3,000.

Staff numbers

The average number of persons employed by the group during the year ended 31 August 2017 was as follows:

	2017 Number	2016 Number
Teachers	62	72
Administration and support	17	14
Management	11	8
	<u>90</u>	<u>94</u>

The average number of persons employed by the charity during the year ended 31 August 2017 was as follows:

	2017 Number	2016 Number
Teachers	62	72
Administration and support	14	14
Management	11	8
	<u>87</u>	<u>94</u>

Higher paid staff

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

	2017 No.	2016 No.
£60,001 - £70,000	1	1
£100,001 - £110,000	1	1
	<u>2</u>	<u>2</u>

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

	2017 No.	2016 No.
£60,001 - £70,000	3	3
£70,001 - £80,000	1	-
£100,001 - £110,000	-	1
£120,001 - £130,000	1	-
	<u>5</u>	<u>4</u>

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff (continued)

Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Academy Trust was £433,721 (2016: £446,664).

10 Trustees' remuneration and expenses

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

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

W Curley (Principal) received a salary of £109,180 (2016: £107,210) and employer pension contributions of £nil (2016: £5,889).

S A Hodgson (Staff trustee until January 2017)

Remuneration £1 - £10,001 (2016: £30,001 - £40,000)

Employer's pension contributions £1 - £5,000

M Higgins (Staff trustee until January 2017)

Remuneration £10,001 - £20,000 (2016: £30,001 - £40,000)

Employer's pension contributions £1 - £5,000

During the year ended 31 August 2017, travel and subsistence expenses totalling £44 (2016: £nil) were reimbursed to one trustee.

Related party transactions are set out in Note 25.

11 Trustees and officers insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover for any one claim and the cost for the year ended 31 August 2017 was included in the total general premium of £13,133 (2016: £11,849).

TRINITY ACADEMY NEWCASTLE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

Group and Company	Land and buildings £	Computer equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2016	11,923,000	46,797	17,183	-	11,986,980
Additions	-	1,172	2,100	26,830	30,102
At 31 August 2017	<u>11,923,000</u>	<u>47,969</u>	<u>19,283</u>	<u>26,830</u>	<u>12,017,082</u>
Depreciation					
At 1 September 2016	357,690	32,867	17,183	-	407,740
Charge in year	238,460	12,000	420	5,366	256,246
At 31 August 2017	<u>596,150</u>	<u>44,867</u>	<u>17,603</u>	<u>5,366</u>	<u>663,986</u>
Net book value					
At 31 August 2017	<u>11,326,850</u>	<u>3,102</u>	<u>1,680</u>	<u>21,464</u>	<u>11,353,096</u>
At 31 August 2016	<u>11,565,310</u>	<u>13,930</u>	<u>-</u>	<u>-</u>	<u>11,579,240</u>

13 Investment in subsidiary

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

	2017 £	2016 £
Turnover and other income	295,286	-
Cost of sales and administration costs	<u>(270,348)</u>	-
Operating (loss) / profit	24,938	-
Interest received	11	-
Profit before tax	<u>24,949</u>	-
Gift aid distributable to parent	<u>(24,949)</u>	-
Retained profit	<u>-</u>	-

The assets and liabilities were:

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

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

14 Debtors	Group 2017 £	Company 2017	Group 2016	Company 2016 £
Trade debtors	5,005	5,005	52,688	52,688
Prepayments and accrued income	-	-	4,996	4,996
VAT recoverable	195,384	195,384	50,743	50,743
	<u>200,389</u>	<u>200,389</u>	<u>108,427</u>	<u>108,427</u>

15 Creditors: amounts falling due within one year	Group 2017 £	Company 2017	Group 2016	Company 2016 £
Amounts owed to group undertakings	-	13,069	22,307	22,307
Accruals and deferred income	116,998	103,929	91,434	91,434
Other taxation and social security	90,535	90,535	-	-
	<u>207,533</u>	<u>207,533</u>	<u>113,741</u>	<u>113,741</u>

16 Deferred income	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	<u>2,170</u>	<u>-</u>
Deferred income at 1 September 2016	-	-
Amounts deferred in the year	<u>2,170</u>	<u>-</u>
Deferred income at 31 August 2017	<u>2,170</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in relation to business enterprise funding.

17 Financial instruments	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>5,005</u>	<u>52,688</u>
Carrying amount of financial liabilities		
Financial Liabilities measured at amortised cost	<u>(114,828)</u>	<u>(113,741)</u>

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

Consolidated

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted General Fund					
General Annual Grant (GAG)	476,911	2,529,290	(2,184,251)	(16,870)	805,080
Other DfE/EFA grants	-	167,683	(167,683)	-	-
Pupil premium	-	117,829	(117,829)	-	-
Other government grants	-	1,750,344	(1,750,344)	-	-
	<u>476,911</u>	<u>4,565,146</u>	<u>(4,220,107)</u>	<u>(16,870)</u>	<u>805,080</u>
Funds excluding pensions	476,911	4,565,146	(4,220,107)	(16,870)	805,080
Pension reserve	(1,666,000)	-	(214,000)	659,000	(1,221,000)
Restricted General Funds	<u>(1,189,089)</u>	<u>4,565,146</u>	<u>(4,434,107)</u>	<u>642,130</u>	<u>(415,920)</u>
Restricted fixed asset funds					
Inherited funds	11,579,240	-	(253,079)	-	11,326,161
Capital expenditure from GAG	-	-	(484)	16,870	16,386
DfE / ESFA capital grants	-	13,232	(2,683)	-	10,549
	<u>11,579,240</u>	<u>13,232</u>	<u>(256,246)</u>	<u>16,870</u>	<u>11,353,096</u>
Restricted Fixed Asset Fund	<u>11,579,240</u>	<u>13,232</u>	<u>(256,246)</u>	<u>16,870</u>	<u>11,353,096</u>
Total restricted funds	<u>10,390,151</u>	<u>4,578,378</u>	<u>(4,690,353)</u>	<u>659,000</u>	<u>10,937,176</u>
Unrestricted funds					
General fund	842,000	37,923	(25,250)	-	854,673
Designated business enterprise	-	17,427	(10,964)	-	6,463
	<u>842,000</u>	<u>55,350</u>	<u>(36,214)</u>	<u>-</u>	<u>861,136</u>
Total unrestricted	<u>842,000</u>	<u>55,350</u>	<u>(36,214)</u>	<u>-</u>	<u>861,136</u>
Total funds	<u>11,232,151</u>	<u>4,633,728</u>	<u>(4,726,567)</u>	<u>659,000</u>	<u>11,798,312</u>

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (continued)

Company

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted General Fund					
General Annual Grant (GAG)	476,911	2,450,225	(2,160,026)	(16,870)	750,240
Other DfE/EFA grants	-	74,420	(74,420)	-	-
Pupil premium	-	117,829	(117,829)	-	-
Other government grants	-	1,627,386	(1,627,386)	-	-
	<u>476,911</u>	<u>4,269,860</u>	<u>(3,979,661)</u>	<u>(16,870)</u>	<u>750,240</u>
Funds excluding pensions	476,911	4,269,860	(3,979,661)	(16,870)	750,240
Pension reserve	(1,666,000)	-	(214,000)	659,000	(1,221,000)
Restricted General Funds	<u>(1,189,089)</u>	<u>4,269,860</u>	<u>(4,193,661)</u>	<u>642,130</u>	<u>(470,760)</u>
Restricted fixed asset funds					
Inherited funds	11,579,240	-	(253,079)	-	11,326,161
Capital expenditure from GAG	-	-	(484)	16,870	16,386
DfE / ESFA capital grants	-	13,232	(2,683)	-	10,549
	<u>11,579,240</u>	<u>13,232</u>	<u>(256,246)</u>	<u>16,870</u>	<u>11,353,096</u>
Restricted Fixed Asset Fund	<u>11,579,240</u>	<u>13,232</u>	<u>(256,246)</u>	<u>16,870</u>	<u>11,353,096</u>
Total restricted funds	<u>10,390,151</u>	<u>4,283,092</u>	<u>(4,449,907)</u>	<u>659,000</u>	<u>10,882,336</u>
Unrestricted funds					
General fund	842,000	85,863	(18,350)	-	909,513
Designated business enterprise	-	17,427	(10,964)	-	6,463
	<u>842,000</u>	<u>103,290</u>	<u>(29,314)</u>	<u>-</u>	<u>915,976</u>
Total unrestricted	<u>842,000</u>	<u>103,290</u>	<u>(29,314)</u>	<u>-</u>	<u>915,976</u>
Total funds	<u>11,232,151</u>	<u>4,386,382</u>	<u>(4,479,221)</u>	<u>659,000</u>	<u>11,798,312</u>

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

General Annual Grant

General Annual Grant must be used for the normal running costs of the Academy. The Academy Trust is not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE / ESFA grants

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

Other Government grants

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

Pension reserve

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

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (continued)

Inherited funds

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

DfE/EFA Capital grants

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

Capital expenditure from GAG

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

Designed business enterprise

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

Unrestricted funds

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

Transfers

Transfers between funds represent amounts financed from unrestricted reserves.

TRINITY ACADEMY NEWCASTLE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (continued)

Funds prior year

Group and company

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted General Fund					
General Annual Grant (GAG)	-	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 / ESFA 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)
Restricted General Funds	(632,000)	4,689,709	(4,163,339)	(1,083,459)	(1,189,089)
Restricted fixed asset funds					
Inherited funds	11,839,611	-	(260,371)	-	11,579,240
DfE / ESFA capital grants	8,541	-	-	(8,541)	-
Restricted Fixed Asset Fund	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 fund	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

Total funds analysis by academy

	Total 2017 £	Total 2016 £
Trinity Academy Newcastle	681,978	583,822
Trinity Solutions Academy	984,238	735,089
Trinity Post 16 Solutions Limited	-	-
Total before fixed asset fund and pension reserve	1,666,216	1,318,911
Restricted fixed asset fund	11,353,096	11,579,240
Pension reserve	(1,221,000)	(1,666,000)
Total	<u>11,798,312</u>	<u>11,232,151</u>

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (continued)

Total costs analysis by academy

	Teaching and Educational Support Staff £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2017 £	Total 2016 £
Trinity Academy Newcastle	2,093,290	596,665	164,096	513,148	3,367,199	3,027,874
Trinity Solutions Academy	459,570	45,344	130,928	45,609	681,451	1,203,270
Trinity Post 16 Solutions Limited	-	109,621	123,338	37,389	270,348	-
Academy Trust	2,552,860	751,630	418,362	569,146	4,318,998	4,231,144

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2017 £
Tangible fixed assets	-	-	11,353,096	11,353,096
Current assets	861,136	1,012,613	-	1,873,749
Creditors falling due within one year	-	(207,533)	-	(207,533)
Pension liability	-	(1,221,000)	-	(1,221,000)
Total net assets at 31 August 2017	861,136	(415,920)	11,353,096	11,798,312

Analysis of net assets between funds – prior year

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2016 £
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)
Pension liability	-	(1,666,000)	-	(1,666,000)
Total net assets at 31 August 2016	842,000	(1,189,089)	11,579,240	11,232,151

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

20 Commitments under operating leases

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

	2017	2016
	£	£
Amounts due within one year	983	3,992
Amounts due between one and five years	1,966	2,949
	<u>2,949</u>	<u>6,941</u>

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

21 Reconciliation of the net (expenditure)/income to net cash flow from operating activities

	2017	2016
	£	£
Net (outgoing)/incoming resources	(92,839)	302,979
Adjusted for:		
Depreciation of tangible fixed assets	256,246	260,371
Interest receivable	(1,051)	(1,374)
Defined benefit pension scheme costs less contributions payable	184,000	(75,000)
Defined benefit pension scheme finance cost	30,000	17,000
Decrease in debtors	(91,962)	(17,661)
Increase in creditors	93,792	10,079
Capital grants from DfE / ESFA and other capital income	(13,232)	(9,164)
	<u>364,954</u>	<u>487,230</u>

22 Contingent liabilities

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

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pensions Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the 'Public Service Pensions' (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to TPS in the year amounted to £134,121 (2016 £136,096).

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

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations (continued)

Local Government Pension Scheme

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

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

Total contributions made	2017	2016
	£	£
Employer's contributions	293,000	331,000
Employees' contributions	78,000	77,000
Total contributions	<u>371,000</u>	<u>408,000</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2017 by a qualified independent actuary.

	2017	2016
	%	%
Rate of increases in salaries	3.4	3.4
Rate of increase for pensions in payment/inflation	1.9	1.9
Discount rate for scheme liabilities	2.5	2.0
Inflation assumption (CPI)	1.9	1.9

The assumed life expectations on retirement at 65 are:

	2017	2016
	Years	Years
Retiring today:		
Males	22.8	23.2
Females	26.3	24.8
Retiring in 20 years:		
Males	25.0	25.3
Females	28.6	27.1

TRINITY ACADEMY NEWCASTLE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations (continued)

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

	Fair value 2017 £	Fair value 2016 £
Equities	2,041,000	1,424,000
Property	278,000	215,000
Government bonds	120,000	82,000
Corporate bonds	355,000	247,000
Cash	120,000	64,000
Other	174,000	116,000
Total market value of assets	<u>3,088,000</u>	<u>2,148,000</u>

Actual return on scheme assets	<u>578,000</u>	<u>301,000</u>
--------------------------------	----------------	----------------

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	477,000	256,000
Net interest cost	30,000	17,000

Changes in the present value of defined benefit obligations

	2017 £
At 1 September 2016	3,814,000
Current service cost	477,000
Interest cost	77,000
Employee contributions	78,000
Net benefits paid out	(9,000)
Actuarial loss	(128,000)
At 31 August 2017	<u>4,309,000</u>

TRINITY ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations (continued)

Changes in the fair value of Academy's share of scheme assets:	2017 £
At 1 September 2016	2,148,000
Interest income	47,000
Return on plan assets (excluding net interest on the net defined pension liability)	531,000
Employer contributions	293,000
Employee contributions	78,000
Net benefits paid out	(9,000)
	<hr/>
At 31 August 2017	3,088,000
	<hr/> <hr/>

24 Members' liability

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

25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of the Governing Body may have an interest. Any transactions involving such organisations are conducted at arm's length and in accordance with the Academy'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 £2,000 (2016: £18,500) during the year. There were no amounts outstanding at 31 August 2017 (2016: £nil).

Key management personnel compensation disclosure is included in note 9.

At 31 August 2017, Trinity Academy Newcastle owed £13,069 (2016: £22,307) to its wholly owned subsidiary Trinity Post 16 Solutions Limited.

26 Agency arrangements

The Academy distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the year the Academy received £24,842 and disbursed £36,977 from the fund.

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 20 July 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by Trinity Academy Newcastle during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not confirm to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of Trinity Academy Newcastle in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Trinity Academy Newcastle's accounting officer and Trustees

The accounting officer is responsible, under the requirements of Trinity Academy Newcastle's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Trinity Academy Newcastle and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017.

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

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2016 to 2017.

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

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

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

RSM UK Audit LLP

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

Dated: 14/12/17