

Company Registration No. 07890590 (England and Wales)

**THE TRINITY CATHOLIC MULTI ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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# **THE TRINITY CATHOLIC MULTI ACADEMY TRUST**

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# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Bishop S Cunningham (resigned 6th March 2019)  
Bishop R Byrne (appointed 6th March 2019)  
Mrs D Fox  
Mr J Ledger

### Trustees

Mr M Gannon (Chair)  
Mr C Coxon (Vice Chair)  
Mr P Cantwell  
Mrs M Harrison (Appointed 1 July 2019)  
Mr J Holt (Appointed 1 July 2019)  
Mr I Mearns MP (Appointed 1 July 2019)  
Father M A Millward (Appointed 1 July 2019)  
Mr N S Hurn OBE (Accounting officer)  
Mr E Thompson (Resigned 1 July 2019)  
Mrs G Bolton (Resigned 1 July 2019)  
Mr J Sinclair (Resigned 1 July 2019)  
Miss J A M McKeague (Resigned 1 July 2019)  
Mrs J Lawson (Resigned 1 July 2019)  
Miss M Elliott (Resigned 1 July 2019)  
Mr T Graham (Resigned 1 July 2019)  
Mr M L Stuart (Resigned 22 November 2018)

### Senior management team

- CEO/Executive Headteacher	Mr N Hurn OBE
- Chief Operations Officer	Mrs L Levy
- Headteacher	Mrs J Black
- Headteacher	Mr D Curran
- Headteacher	Mrs D Cushlow
- Headteacher	Mrs S Fraser
- Headteacher	Mr D Juric
- Headteacher	Mrs B Reilly O'Donnell
- Headteacher	Mrs M Wilson

### Company secretary

Mrs L Levy

### Company registration number

07890590 (England and Wales)

### Registered office

Old Durham Road  
Gateshead  
Tyne & Wear  
NE9 6RZ

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Academies operated

Cardinal Hume Catholic School	Gateshead
St Anne's Catholic Primary School	Gateshead
St Joseph's Catholic Primary School	Sunderland
St Michael's Catholic Primary School	Sunderland
St Bede's Catholic Primary School	Sunderland
Our Lady Queen of Peace Catholic Primary School	Sunderland
St Robert of Newminster Catholic School and Sixth Form College	Sunderland
St John Boste Catholic Primary School	Sunderland

### Location

### Executive Headteacher

Mr N S Hurn OBE  
Mrs S Fraser  
Mrs J Black  
Mrs M Wilson  
Mr D Curran  
Mrs B Reilly-O'Donnell  
  
Mr D Juric  
  
Mrs D Cushlow

### Independent auditor

Baldwins Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

### Bankers

Lloyds Bank plc  
PO Box 100  
Andover  
BX1 1LT

### Solicitors

Womble Bond Dickinson  
One Trinity  
Broad Chare  
Newcastle upon Tyne  
NE1 2HF

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## TRUSTEES' REPORT

***FOR THE YEAR ENDED 31 AUGUST 2019***

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

### **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 The Trinity Catholic Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Trinity Catholic Multi Academy Trust. Prior to converting to a Multi Academy Trust during 2016, the company was previously known as Cardinal Hume Catholic School.

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

#### **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**

The Trinity Catholic Multi Academy Trust subscribes to the Education Skills and Funding Agency's Risk Protection Arrangement. This Arrangement ensures that the Multi Academy Trust liabilities are covered, in addition to the subsequent insurances in place that are relevant to Academy business.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Method of recruitment and appointment or election of trustees

The Diocesan Bishop may appoint Foundation Trustees whom at least shall be eligible for election or appointment as Foundation Parent Governors.

The Trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the CEO/Executive Headteacher) who are employees of the Academy does not exceed one third of the total number of Trustees and Article 58A shall apply.

The Trustees may appoint no more than 1 Trustee, provided that the total number of such Trustees together with the Staff Trustees, The Principal and the Parent Trustees does not exceed the number of Foundation Trustees plus 1.

The Executive CEO/Headteacher shall be treated for all purposes as being an ex officio Trustee.

Subject to Article 57, the Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when they are elected. The Trustees 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 Academy. Any election of Parent Trustees which is contested shall be held by secret ballot, via the Company Secretary.

The Staff Trustees shall be elected by a secret ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the CEO/Executive Headteacher). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate shall be determined by the Trustees.

If a Trustee ceases to work at the Academy then he shall be deemed to have resigned and shall cease to be a Governor automatically on termination of his work at the Academy. Any election of a Staff Trustees which is contested shall be held by Secret ballot, arranged by the Company Secretary.

Details of the Trustees are shown in the Reference and Administration details.

#### Policies and procedures adopted for the induction and training of trustees

The Trustees of The Trinity Catholic Multi Academy Trust can access induction and on-going training via South Tyneside Local Authority Governor Support team, the Catholic Diocese of Hexham and Newcastle and Schools North East. The Local Authority produces an annual Course Directory which is reviewed each year to reflect any changes in practice and legislation.

Trustees can also access information directly from the Company Secretary at Trinity Catholic Multi Academy Trust, to assist with their development. A number of sessions will also be arranged by the Clerk to the Trustees to assist Trustees in their pursuit of the highest standards of governance.

#### Organisational structure

The Academy Trust Annual General Meeting must be held annually (in November) and be called as such. No more than 15 months shall elapse between the date of one AGM and that of the next. The Academy Trust Members also hold an annual meeting.

A meeting of Directors of the takes place termly. In accordance with the School Staffing Regulations the current committee arrangements, including membership and remits together with virement and expenditure limits and delegation of staff functions, will be considered at the first meeting and then on an on-going, annual basis.

Delegation has also been made to a number of committees (Finance, Staffing and General Purpose, Audit, Admissions, Discipline etc) who meet either half- termly in school or prior to that if the need arises.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The CEO/Executive Headteacher is the Accounting Officer and has responsibility for the day to day running and operation of the schools. Mr Hurn is a National Leader of Education and an elected member of the Regional School Commissioner's Northern Region Headteacher Board.

The Chief Operating Officer for the MAT is also the Chief Financial Officer and is based within the MAT office within Cardinal Hume Catholic School.

In addition to the original Academy (Cardinal Hume Catholic School), St Anne's Catholic Primary School within Gateshead joined the MAT on 1st June 2019.

A further 6 schools from Sunderland Local Authority, all in the Washington Geographical location, joined on 1st July 2019:

Our Lady Queen of Peace  
St Robert's of Newminster Catholic School and Sixth Form College  
St Bedes'  
St Michael's  
St Joseph's  
St John Boste

The MAT Board reconstituted and new Board members were recruited. They were approved by the DfE/Headteacher Board and Diocesan Trustees prior to the reconstitution and expansion of the MAT in taking on additional responsibility for the additional 7 schools since the summer term of 2019. The first Board meeting of the expanded MAT met in July 2019.

The Headteacher's in each school remain as Headteacher's, not Heads of School. The Local Governing Bodies have now been reconstituted as Local Academy Boards. The existing Senior Leadership Teams remain in place in each school.

The Academy does not work in federation with any other organisation. However, informal partnerships are in place with local schools, colleges and other providers where these partnerships assist in the achievement of our Academy objectives. Throughout the academic year 2018-19 the CEO/Executive Headteacher has assisted a number of schools with Leadership and consultative monitoring through his role as a National Leader of Education. In addition Cardinal Hume Catholic School is the Lead School within The Trinity North East Teaching School Alliance.

Currently the St Thomas More Partnership of Schools are going through the Due Diligence Process, as their MAT Board also passed a resolution confirming they also wish to join the expanding Trinity Catholic MAT and hope to do so in the Autumn term of 2019.

#### Arrangements for setting pay and remuneration of key management personnel

Each of the Local Academy Boards have been given responsibility for approving threshold applications each year. This will then be ratified by the MAT Board. In the case of new appointments this will be the responsibility of The Finance Committee of the MAT Board.

The MAT Board also considers the Pay Policy and Performance Management Policy of the Trust annually in the Autumn term, and is advised by the Trust HR partners Avec. A full discussion takes place between Academy Board Members prior to giving approval. The CEO/Executive Headteacher also brings to the discussion the pay and remuneration of key management personnel.

The pay and remuneration of the CEO/Executive Headteacher is approved by the Headteacher Performance Committee (comprising of Trustees) and based around feedback of the independent School Improvement Partner.

Then recommendations are made to the full Governing Body and the final approval/ratification given if agreed.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Trade union facility time

#### *Relevant union officials*

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

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

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

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

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

#### *Paid trade union activities*

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

### Related parties and other connected charities and organisations

The Trinity Catholic Multi Academy Trust is now a MAT with 8 academies. The MAT is not part of any wider network, other than being the Lead School in the Trinity Teaching School Alliance. This has no impact on the operating policies of the Trinity Catholic MAT.

The CEO and COO have been in contact with the ESFA linked to their involvement with Education Mutual Limited, the sickness absence cover provider. The CEO and COO of Trinity Catholic MAT receive no financial incentive for being part of the Education Mutual Board or Member. Approval was provided by the Chair and Board of The Trinity Catholic MAT for their involvement at the outset of the Mutual's development. It is Minuted accordingly.

### **Objectives and activities**

#### Objects and aims

The principal object and activity of the charitable trust is the operation of The Trinity Catholic Multi Academy Trust is to provide education for pupils between the ages of 2 and 18. The Academy's admissions code has Trustee approval and is published on our website [www.trinitycatholicmat.com](http://www.trinitycatholicmat.com).

The Academy's object ("The Object") is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, managing, carrying on, and developing Catholic schools offering a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by the MAT both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.

The Academy Trust shall ensure that all Academies within the Trust comply with any guidance issued by the Secretary of State from time to time to ensure that pupils take part in assessments and in teacher assessments of pupils' performance as they apply to maintained schools.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### Objectives, strategies and activities

The Trust is situated within two Local Authorities – Sunderland and Gateshead. Predominantly the area has a White-British intake, but has an increasing proportion of EAL/EM pupils. The Trust's mix of pupils is genuinely comprehensive with a larger than average proportion coming from areas of deprivation, and broadly average numbers of disadvantaged pupils. The Trust's stability falls into the upper quintile.

The staff teams within the academies are committed to the children, and provide a stable, happy and highly effective education for the pupils, and were supportive of joining the MAT with the best interests of the pupils and their catholic education in mind. Staff turnover is healthy.

The MAT has appointed a new School Improvement Partner to work across the Trust and has a rolling programme of self-evaluation and this is summarised in the Trust Self Evaluation Form, which will be completed annually by the MAT Leadership Team every May/June. Action points from the evaluation are then pursued and detailed in the Trust Development Plan.

The Trust Development Plan covers the following main areas with specific Aims and Objectives linked to each one:

Curriculum Impact

Curriculum Implementation

Behaviour and Attitudes

Catholic Ethos, Personal Development & SMSC

The areas above are then split down into specific actions and Success Criteria targets. They are allocated to specific members of Working Groups within the MAT Leadership Team and the Headteachers manage and monitor progress throughout the year. In May of each year, the outcomes are reviewed and progress measured accordingly against the pre-determined success criteria.

<u>Curriculum Intent</u>		<u>Curriculum Implementation (T&amp;L &amp; Assessment)</u>
The curriculum, across the Key Stages, is designed and shaped to:		All teaching in the school is at least good, and much is outstanding.
<ul style="list-style-type: none"> <li>• remain broad and build pupils' cultural capital</li> <li>• provide pupils with ambitious pathways commensurate with their abilities, interests and aspirations</li> <li>• deliver outstanding results in external qualifications, preparing pupils for their next steps.</li> </ul>		<ul style="list-style-type: none"> <li>• Pupil engagement, personal enquiry and ability to transfer learning to long-term memory are prioritised by all teachers.</li> <li>• The development of teachers' subject and curricular knowledge are central to the school's CPD</li> <li>• Teachers are increasingly skilled in providing challenge for a wide range of abilities in classes.</li> </ul>
<u>Behaviour and Attitudes</u>	<u>Catholic Ethos, Personal Development and SMSC</u>	<u>Leadership and Management</u>
Across the Key Stages, exemplary conduct, manners and levels of respect are displayed by all pupils, both in the classroom and public areas of the school.	A wide range of opportunities are available to involve staff, pupils and the wider community in acts of collective worship, and the leading of collective worship.	Exemplary standards of provision and pupil outcomes provided as the school and Multi-Academy Trust grows. Key areas of focus:
Key areas of focus:	The school goes the 'extra-mile' with extra-curricular activities, work experience, character education, environmental stewardship and developing pupils spiritually, morally, socially and culturally, focuses on careers advice and mental and physical well-being.	<ul style="list-style-type: none"> <li>• Staff workload, roles, capacity and succession planning</li> <li>• Management, tracking and monitoring of larger year groups as they move through the school</li> <li>• Physical environment, site maintenance and security</li> <li>• Financial security</li> <li>• Teaching School and partnership growth</li> </ul>
<ul style="list-style-type: none"> <li>• Attendance (&gt;96%) and punctuality</li> <li>• Intrinsic motivation, merits and rewards</li> <li>• Pupils' conduct when moving around school</li> <li>• Parents' engagement with pupils' learning</li> </ul>		

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Public benefit

The MAT trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our Aims and Objectives and in planning our future activities. In particular the Board consider how planned activities will contribute to the aims and objectives they have set. The MAT has provided a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

The Trinity Catholic Multi Academy Trust promotes the provision of school facilities for recreation or other leisure time occupation of the site for the benefit of the inhabitants of the areas surrounding their Academies.

### **Strategic report**

#### **Achievements and performance**

The latest overall effectiveness grade profile for the MAT was 1:

Outstanding 3 schools  
Good 5 schools

#### **Cardinal Hume Catholic School**

The school is consistently significantly above average and in the highest 20% of all schools in previous years.

#### **St Robert of Newminster Catholic School and Sixth Form College**

In the majority of Ebacc subjects the pupils were significantly above national average and the average point score was in the highest 20% of schools nationally. Science and Languages are the subjects that were in the lowest 20% in comparison to national data.

#### **Our Lady Queen of Peace**

90% of pupils achieved at least the expected standard in reading, writing and mathematics at the end of KS2 which is well above National averages.

#### **St Anne's Catholic Primary School**

76% of pupils achieved at least the expected standard in reading, writing and mathematics at the end of KS2. St Anne's continues to achieve well, with positive progress in reading, writing and maths.

#### **St Bede's Catholic Primary School Washington**

60% of pupils achieved at least the expected standard in reading, writing and mathematics at the end of KS2. St Bede's results have declined in all areas at KS2, with writing in particular needing attention next year.

#### **St John Boste Catholic Primary School**

66% of pupils achieved at least the expected standard in reading, writing and mathematics at the end of KS2. St John Boste results have declined in all areas at KS2 in 2019, with writing in particular needing attention next year.

#### **St Joseph's Washington Catholic Primary School**

70% of pupils achieved at least the expected standard in reading, writing and mathematics at the end of KS2. St Joseph's results for Writing and Maths made positive progress, with reading in particular needing attention next year.

#### **St Michael's Catholic Primary School**

73% of pupils achieved at least the expected standard in reading, writing and mathematics at the end of KS2. St Michael's results for Writing and Maths made positive progress, with reading in particular needing attention next year.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Financial review**

The principal sources of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds in the statement of financial activities for the period ending 31st August 2019.

During the period ending 31st August 2019 total Academy expenditure of £10,428,120 was less than DfE grant funding together with other incoming resources. The excess of income (£10,721,057) over expenditure was £292,937. Budget and expenditure reviews have been conducted by the MAT Central Team, MAT Board, Internal and External Auditors.

All schools within the MAT had a positive reserves balance when transferring into The Trinity Catholic MAT. Each academy will retain the level of reserves it held individually prior to academy conversion. This had prior approval from the MAT Board.

The MAT also received just over £200k of Devolved Formula Capital from the Diocese which had been ringfenced on behalf of each school, at the beginning of the Autumn term.

Prior to conversion, each of the Local Governing Bodies agreed to contribute an annual contribution of 5% to the MAT which will be deducted on a monthly basis.

General and unrestricted reserves of the MAT increased to £1,709,222.

The whole school MAT Forecast for 2018-19 was submitted to the ESFA for scrutiny in July 2019 showing the additional schools and the anticipated income/expenditure forecast for the next 3 years. This was prepared by working in conjunction with Baldwins, and formally approved and ratified by the MAT Board.

Cardinal Hume Catholic school continues to operate as a Lead Teaching School Alliance via the National College of Learning and Teaching as Lead School within the Trinity Teaching School Alliance, providing staff training and School to School Support. This has seen substantial growth in the number of schools being supported and in turn, additional income generation.

### Reserves policy

The MAT Board are to consider a new Reserves policy in order to take into account the expansion. Now a group of 2 Secondary Schools and 6 Primaries the existing Trust policy for building and maintaining reserves is not fit for purpose. This will be reviewed and considered within the Autumn term and the view of our Auditors will also be requested.

Since original Academy conversion in 2012 Directors have looked to retain sufficient funds to pay the staff salaries for at least 1 month (approx. £480k originally when a SAT) in the event of a financial emergency. This has been achieved despite the budget reductions, however as was anticipated by the Trustees, we were unable to prevent the savings being eroded due to income cuts and rising costs.

However, by bringing in the additional 7 academies into the MAT, at the end of the financial year 31st August 2019, the reserves had increased to £1,709,222. The total amount in reserve funds at 31st August 2019 was £1,434,200. The amount of restricted funds not available for general purposes of the academy trust at 31st August 2019 was £275,013.

The Trust remains solvent and is not in an overall deficit position.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The MAT Board is to consider what it feels would be an acceptable level of Reserves to hold as a larger MAT, especially given the expansion plans and how rapidly that is taking place. Unrestricted reserve funds are held to cover specific capital risks identified in relation to Fire Alarm system upgrades, school entrance upgrades, boiler and window replacements, flooring.

### Investment policy

The Trustees' have not committed to any investments for a longer term than 12 months in the past due to the financial climate and uncertainty with funding for schools. This was thought to be particularly prudent during periods of time when large scale building work was underway and external costs were being budgeted for and has indeed been with forethought.

All 8 Trust schools have funds paid into 1 Lloyds Bank current account. On conversion, all 7 schools closed their School Private Fund accounts and transferred the positive balances into the existing Trinity Catholic MAT account. The Trust is now in the process of discussing an alternative risk-averse savings account for balances that we do not anticipate spending within the coming months in order to maximise return, whilst understanding the remaining funds may be required to support funds with specific projects in the future.

### Principal risks and uncertainties

The Trust manages its finances and risks appropriately, under the direction of not only the MAT Board and the Finance and Audit Committee members, they do so together with the Internal and External Auditors. The MAT Financial Handbook for Trinity Catholic Multi Academy Trust is the financial guide for Trustees', Headteachers and staff within academies to follow. The Handbook draws upon the financial requirements specified in academy Funding Agreement, approved by the Secretary of State for Education prior to conversion to Academy status, must be adhered to by Trustees and staff.

Financial and risk management guidance is contained within The MAT Financial Handbook, and provides detailed information on a wide range of financial management, funding and accounting issues, whilst setting out the overall governance framework and key systems and controls that should be in place within The Trinity Catholic MAT. It is the responsibility of the Accounting Officer and the Chief Financial Officer (Chief Operations Officer) in the MAT to ensure that the Central MAT Finance team, as well as those individuals within academies with responsibility for Finance, carry out their duties on accordance with the financial and risk management objectives and policies within the Trust.

We consider that the major risks to which the MAT is exposed, as identified by the trustees, have been reviewed and that systems or procedures have been established to manage those risks. The internal control systems and the exposure to risks are matters that are considered on a termly basis by management, trustees and the audit and finance committees.

The Internal and External Audit visits are calendared termly, and the annual audit conducted during the Autumn term. Each of the written reports are presented to the Accounting Officer, Finance Committee and MAT Board meetings on a termly basis. The External Audit Partner also presents the findings of the annual External Audit personally to the full Trustee group each Autumn. This element of scrutiny provides the Board and Local Academy Boards with comfort that their statutory duties and financial responsibilities as detailed in the guidance within the Academies Financial Handbook are being discharged satisfactorily by the Central MAT team.

Currently the uncertainty of the academy funding formula is a situation that requires very close monitoring. If the increase to National Funding Formula does proceed as announced, prior to the announcement of the General Election, a further £650k approximately will be received by academies within the MAT in September 2020. Whichever party is successful within the General Election, all have announced that the Education Sector will benefit from greater levels of funding going forward. However, the increased income only goes some way to offset some of the cuts, it is way short of the actual funding requirement.

The ongoing additions of the unfunded payrises that have been awarded to staff in recent years, with the 2% September 2019, the additional Employers Contribution Rates for the Teacher's Pension Fund and NI contribution increases are also causing concern for the future which causes additional strain on the budget.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

Fundraising amongst the school community is limited to small-scale support for registered charities and extra-curricular events that are to be supported/accessed by the students/their families. There are no fundraising activities to support the general operation of the Academy.

The Trinity Catholic Multi Academy Trust has not worked with, or had any oversight of, any commercial participators / professional fundraisers within the current financial year.

All monies received from fundraising activity is administered through the school finance team and credited to the school income account, conforming to recognised standards.

The school does not receive any direct nor indirect fundraising from external philanthropic donors. Any income generated in excess of the school grant income, is directly from the Education Skills Funding Agency or Department of Education.

The MAT has not received any complaints about the small-scale fundraising it conducts and Trustees are satisfied that the public, including vulnerable people, are not subjected to any unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

### **Plans for future periods**

By reviewing educational structures and supporting the growth of MATs, the aim of the Diocese is to ensure that Catholic education in the Diocese of Hexham and Newcastle is secured, protected and developed further for future generations of children and young people. The principles announced in October 2019 set out the foundations for the MAT structure within the Diocese. These structures must enable high quality teaching to continue and to develop and flourish so that all children who attend Diocesan schools receive the best possible Catholic education.

Due to the current educational climate, it is believed that if all Diocesan schools are part of large Catholic MATs, the Catholic mission will be strengthened, school to school support will be enhanced, and provision will be improved further. A Catholic MAT model where every school has its place will mean that no individual school will be left isolated or vulnerable in this rapidly changing environment.

The Trinity Catholic MAT has been selected to be a lead MAT with up to 48 academies within the Trust. This collaboration between schools generates economies of scale. The MAT Board of The Trinity Catholic Multi Academy Trust are to conduct Due Diligence on a number of Catholic Primary and Secondary Schools within the area in the coming months. This has the full approval of the Diocese of Hexham and Newcastle as per the Diocesan Directive announced by Bishop Robert Byrne on 7th October 2019.

Full recommendations will be obtained through the usual Due Diligence process and recommendations brought to The MAT Development Plan 2019-20 includes the detail relating to our whole-school, future plans. The CEO and School Improvement Partner (Mark Wilson) has worked with each Headteacher of the academies within our MAT to prepare their individual School Self evaluations with their staff teams in order to ensure whole-school priorities are encompassed within each department.

The overall objective of the MAT is to continue to improve the progress and attainment levels of children within our care. The new National Curriculum and changes to examination frameworks are being integrated as required (scale 9-1 for Secondaries and the new Primary Curriculum/framework).

As a MAT with responsibility for more than 5 schools and more than 3,500 children going forward, the MAT will receive automatic Condition Improvement Funding (CIF) without having to submit bids from individual schools for funding for Capital works funding. This will not be allocated to the MAT until 2020. There will be a policy in operation where academies within the MAT bid to the Board for elements of this funding to improve and develop MAT sites.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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In view of the highly publicised shortage of Creative Digital talent for the workforce of the future, the MAT Board have approved the plan to create a separate Trading Entity, the CH Digital Hub, to be registered at Companies House. This is currently in development phase and a plan to provide training and skills via the new Digital Academy based on the existing Cardinal Hume School site is being prepared. This will not only be an excellent resource for the area, it will also assist in self-generating additional income for the MAT.

### **Funds held as custodian trustee on behalf of others**

Neither the Academy nor its Trustees are acting as custodian trustee.

### **Auditor**

In so far as the trustees are aware:

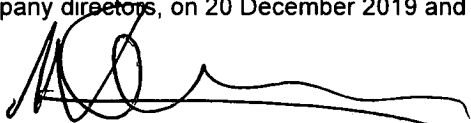
There is no relevant audit information of which the charitable company's auditor is unaware;

And

The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of threat information.

Baldwins Audit Services have been the Academy auditors since 2012 and Trustees' unanimously voted to retain their services during 2018-2019, due to their exceptional support and guidance received to date. A formal review of their performance has been undertaken by the Trustees and will be presented to all Trustees at the AGM on 13th December 2019.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 December 2019 and signed on its behalf by:



Mr M Gannon  
Chair



Mr N S Hurn OBE  
Accounting officer

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 The Trinity Catholic Multi Academy 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 for the previously empty SAT (prior to the appointment of the reconstituted MAT Board) has formally met 3 times during the year.

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

Trustees	Meetings attended	Out of possible
Mr M Gannon (Chair)	2	3
Mr C Coxon (Vice Chair)	2	3
Mr P Cantwell	3	3
Mrs M Harrison (Appointed 1 July 2019)	0	0
Mr J Holt (Appointed 1 July 2019)	0	0
Mr I Mearns MP (Appointed 1 July 2019)	0	0
Father M A Millward (Appointed 1 July 2019)	0	0
Mr N S Hurn OBE (Accounting officer)	3	3
Mr E Thompson (Resigned 1 July 2019)	2	3
Mrs G Bolton (Resigned 1 July 2019)	3	3
Mr J Sinclair (Resigned 1 July 2019)	3	3
Miss J A M McKeague (Resigned 1 July 2019)	2	3
Mrs J Lawson (Resigned 1 July 2019)	3	3
Miss M Elliott (Resigned 1 July 2019)	2	3
Mr T Graham (Resigned 1 July 2019)	3	3
Mr M L Stuart (Resigned 22 November 2018)	1	3

The work of the Trustees' was scrutinised and reviewed by Ofsted during the Trust Inspection in January 2014. Ofsted commented that Trustees' were knowledgeable, passionate and could articulate the strategic vision for the school very well. In terms of measurement, Trustees' were included within the overall Outstanding Grade 1 for Leadership and Management of the School. Trustees are proactive and consistently meet with allocated Senior Leadership Team Links.

Trustee/Governor Open Days were introduced during September 2018-August 2019, where Trustees/Governors are given more of a flavour of life in a live school. This was considered to be imperative for Governors understanding and decision making processes. Throughout the Open Days various members of the Senior team present Data and updates on their own departments to assist Governors in their role, which are organised on a termly basis to see the School in action.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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In November 2018, Trustees undertook a repeat self- evaluation of their individual skill sets which were collated by the Company Secretary in 2018. The information required was revisited during the Autumn term of 2019, when the MAT Board was reconstituted with a view to ensuring that upon expansion of the Multi Academy Trust the required skillset is available to the Members/Trustees. New Trustees would then be able to include their skills analysis from Autumn 2019 onwards.

The Finance, Staffing and General Purpose Committee is a sub-committee of the main board of trustees. This Committee meets more frequently than the full body of Trustees, on a half termly basis. Within the year September 2018-August 2019 the Finance Committee has met formally on 6 occasions. Attendance was always quorate and was as follows:

Attendance at meetings (prior to the reconstitution of the expanded MAT Board in July 2019) in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr C Coxon (Vice Chair)	5	6
Mr N S Hurn OBE (Accounting officer)	6	6
Miss J A M McKeague (Resigned 1 July 2019)	2	2
Mr T Graham (Resigned 1 July 2019)	6	6
Mr M L Stuart (Resigned 22 November 2018)	2	6

The purpose of the Finance, Staffing and General Purpose Committee works with the school to ensure financial decisions are made for the benefit of the school, achieve the strategic aims within the School Development Plan and within agreed delegated authorities.

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to meet on a half yearly basis, unless there are any urgent matters to attend to, when they would meet more frequently:

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr E Thompson (Resigned 1 July 2019)	1	1
Mrs G Bolton (Resigned 1 July 2019)	1	1
Mrs J Lawson (Resigned 1 July 2019)	1	1

The Audit Committee works with the Finance Team, reviews the internal and external auditors reports and assesses risks for the school going forward.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Review of value for money**

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

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

1. Reduced annual insurance costs for the MAT due to inclusion of all academies within the RPA
2. Reduced annual expenditure on Staff absence cover across the MAT
3. Reduced the cost Governance Support by appointing a parttime Officer inhouse, rather than all schools hiring in clerks from different Local Authorities at a much higher cost
4. Generated additional income from Ascent Trust as we support them with Governance Support Officer.
5. Deployed existing staff to work across a number of MAT schools - eg Caretakers, Finance team, ICT Technicians, Teaching staff.

### **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 The Trinity Catholic Multi Academy Trust for the period 1 September 2017 to 31 August 2019 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

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

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The board of trustees has considered the need for a specific internal audit function and appointed Baldwins as their external auditor following a competitive tender exercise being completed by Avec Partnership on behalf of the Academy Trust. The Trustees have also appointed Baldwins external audit team, to perform additional checks which cover:

- A review of previous audit/internal assurance reports to ensure recommendations have either been considered and/or implemented.
- Accounts and reconciliations, Payroll
- Purchasing, expenses
- Income streams
- Management of Data
- Corporate Governance

On a termly basis, the additional checks completed by the auditor are reported to the board of trustees, through the Finance and General purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Baldwins have delivered their planned schedules of work throughout the academic year 2018-19. On a termly basis, Baldwins reports to the board of trustees, through the production of the Termly reports, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. It is worth recording that only very minor points were picked up during these reviews, which is a very positive outcome for the inhouse Business and Finance Team. All recommendations from Baldwins have been acted upon and responded to accordingly.

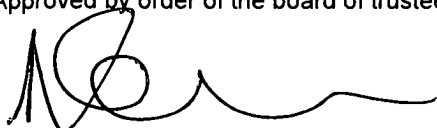
### **Review of effectiveness**

As accounting officer the Executive Headteacher 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 External auditor
- The financial management and governance self- assessment process
- The work of the Chief Financial Officer (Senior Leader, Business and Finance), Bursar and Finance assistants within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee/audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 20 December 2019 and signed on its behalf by:



Mr M Gannon  
Chair



Mr N S Hurn OBE  
Accounting officer

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2019**

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As accounting officer of The Trinity Catholic Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



Mr N S Hurn OBE  
**Accounting Officer**

20 December 2019

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees (who are also the directors of The Trinity Catholic Multi Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, 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 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 20 December 2019 and signed on its behalf by:

Mr M Gannon  
Chair



Mr N S Hurn OBE  
Accounting officer



# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRINITY CATHOLIC MULTI ACADEMY TRUST

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Opinion

We have audited the accounts of The Trinity Catholic Multi Academy Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust'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 accounts are authorised for issue.

### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRINITY CATHOLIC MULTI ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts 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.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRINITY CATHOLIC MULTI ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Use of our report

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

*Baldwins Audit Services*

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Baldwins Audit Services

*20/12/19*  
.....

Statutory Auditor

Wynyrd Park House  
Wynyrd Avenue  
Wynyrd  
TS22 5TB

# **THE TRINITY CATHOLIC MULTI ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE TRINITY CATHOLIC MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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In accordance with the terms of our engagement letter dated 2 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Trinity Catholic Multi Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Trinity Catholic Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Trinity Catholic Multi Academy Trust and 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 The Trinity Catholic Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Trinity Catholic Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Trinity Catholic Multi Academy Trust's funding agreement with the Secretary of State for Education dated 31 January 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE TRINITY CATHOLIC MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

### Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Baldwins Audit Services*

**Reporting Accountant**

Baldwins Audit Services

Dated: 20/12/19

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	100,065	468,049
Donations - transfer from local authority on conversion	28	1,088,499	(2,211,000)	131,786	(990,715)
Charitable activities:					
- Funding for educational operations	4	397,922	9,761,662	-	10,159,584
- Funding for teaching schools	27	-	46,000	-	46,000
Other trading activities	5	514,935	-	-	514,935
Investments	6	538	-	-	538
<b>Total</b>		<b>2,001,894</b>	<b>7,596,662</b>	<b>231,851</b>	<b>9,830,407</b>
<b>Expenditure on:</b>					
Raising funds	7	159,608	198,581	-	358,189
Charitable activities:					
- Educational operations	9	433,035	9,920,685	129,397	10,483,117
- Teaching schools		-	142,211	-	142,211
<b>Total</b>	<b>7</b>	<b>592,643</b>	<b>10,261,477</b>	<b>129,397</b>	<b>10,983,517</b>
<b>Net income/(expenditure)</b>		<b>1,409,251</b>	<b>(2,664,815)</b>	<b>102,454</b>	<b>(1,153,110)</b>
Transfers between funds	19	(96,211)	210,112	(113,901)	-
<b>Other recognised gains/(losses)</b>					
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(2,320,000)	-	(2,320,000)
<b>Net movement in funds</b>		<b>1,313,040</b>	<b>(4,774,703)</b>	<b>(11,447)</b>	<b>(3,473,110)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		121,169	(989,284)	4,551,564	3,683,449
Total funds carried forward		1,434,209	(5,763,987)	4,540,117	210,339

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2018 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	468,049	468,049
Charitable activities:					
- Funding for educational operations	4	410,981	6,942,839	-	7,353,820
- Funding for teaching schools	27	-	46,000	-	46,000
Other trading activities	5	394,597	-	-	394,597
Investments	6	353	-	-	353
<b>Total</b>		<b>805,931</b>	<b>6,988,839</b>	<b>468,049</b>	<b>8,262,819</b>
<b>Expenditure on:</b>					
Raising funds	7	405,574	-	-	405,574
Charitable activities:					
- Educational operations	9	377,018	7,112,721	134,862	7,624,601
- Teaching schools		-	46,000	-	46,000
<b>Total</b>	<b>7</b>	<b>782,592</b>	<b>7,158,721</b>	<b>134,862</b>	<b>8,076,175</b>
<b>Net income/(expenditure)</b>		<b>23,339</b>	<b>(169,882)</b>	<b>333,187</b>	<b>186,644</b>
Transfers between funds	19	(2,857)	15,246	(12,389)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	21	-	406,000	-	406,000
<b>Net movement in funds</b>		<b>20,482</b>	<b>251,364</b>	<b>320,798</b>	<b>592,644</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		100,687	(1,240,648)	4,230,766	3,090,805
Total funds carried forward		121,169	(989,284)	4,551,564	3,683,449

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	13		4,619,020		4,338,720
<b>Current assets</b>					
Stocks	14	-		3,805	
Debtors	15	1,683,870		549,037	
Cash at bank and in hand		1,436,275		768,984	
		<u>3,120,145</u>		<u>1,321,826</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(1,384,826)		(790,097)	
<b>Net current assets</b>			<u>1,735,319</u>		<u>531,729</u>
<b>Total assets less current liabilities</b>			<u>6,354,339</u>		<u>4,870,449</u>
Creditors: amounts falling due after more than one year	17		(105,000)		(105,000)
<b>Net assets before defined benefit pension scheme liability</b>			<u>6,249,339</u>		<u>4,765,449</u>
Defined benefit pension scheme liability	21		(6,039,000)		(1,082,000)
<b>Total net assets</b>			<u><u>210,339</u></u>		<u><u>3,683,449</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	19				
- Fixed asset funds			4,540,117		4,551,564
- Restricted income funds			275,013		92,716
- Pension reserve			(6,039,000)		(1,082,000)
<b>Total restricted funds</b>			<u>(1,223,870)</u>		<u>3,562,280</u>
<b>Unrestricted income funds</b>	19		<u>1,434,209</u>		<u>121,169</u>
<b>Total funds</b>			<u><u>210,339</u></u>		<u><u>3,683,449</u></u>

The accounts on pages 24 to 54 were approved by the trustees and authorised for issue on 20 December 2019 and are signed on their behalf by:

Mr M Gannon  
Chair

Mr N S Hurn OBE  
Accounting officer

Company Number 07890590

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	22	(243,900)		22,384	
Cash funds transferred on conversion		1,088,499		-	
		<u>844,599</u>		<u>22,384</u>	
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		538		353	
Capital grants from DfE Group		100,065		468,049	
Purchase of tangible fixed assets		(277,911)		(323,650)	
		<u>(177,308)</u>		<u>144,752</u>	
<b>Net cash (used in)/provided by investing activities</b>			(177,308)		144,752
<b>Cash flows from financing activities</b>					
New other loan		-		105,000	
		<u>-</u>		<u>105,000</u>	
<b>Net cash (used in)/provided by financing activities</b>			-		105,000
<b>Net increase in cash and cash equivalents in the reporting period</b>			667,291		272,136
Cash and cash equivalents at beginning of the year			768,984		496,848
<b>Cash and cash equivalents at end of the year</b>			<u>1,436,275</u>		<u>768,984</u>

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **1 Accounting policies**

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.

#### **1.1 Basis of preparation**

The accounts of the academy trust, which is a public benefit entity under FRS 102, 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trinity Catholic Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

#### **1.2 Going concern**

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

The reported share of the LGPS deficit has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

#### **1.3 Conversion to an academy trust**

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

During the year, the assets and liabilities transferred on conversion from St Anne's Catholic Primary School, St Joseph's Catholic Primary School, St Michael's Catholic Primary School, St Bede's Catholic Primary School, Our Lady Queen of Peace Catholic Primary School, St Robert of Newminster Catholic School and Sixth Form College and St John Boste Catholic Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The value of land and buildings on conversion has been estimated based on Local Authority information. Other assets and liabilities have been transferred at fair value. Further details of the transaction are set out in note 28.

#### **1.4 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.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### Grants

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

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

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

#### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### 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 the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

### 1.5 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.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

#### Expenditure on raising funds

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

#### Charitable activities

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

### 1.6 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Assets under construction	Not depreciated
Leasehold improvements	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings and equipment	7 years straight line
Motor vehicles	7 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

The academy trust occupies the footprint of the school building which is owned by its trustees, the Diocese of Hexham and Newcastle. The Diocese are the providers of the buildings on the same basis as when the academy was a maintained school. The academy trust occupies the buildings under a mere licence. This continuing permission of the trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the academy trust is occupying the buildings the trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy. Subsequent expenditure funded by the academy has been capitalised.

The remaining land is owned by the local authorities and leased to the trust for 125 years. Building improvements funded by the academy have been capitalised at cost.

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.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

#### 1.7 Liabilities

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

#### 1.8 Leased assets

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

#### 1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

#### 1.11 Taxation

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

#### 1.12 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.13 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

#### 1.14 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 funds received and paid and any balances held are disclosed in the notes to the accounts.

### 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 TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

#### McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £195,000 as at 31 August 2019.

#### GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £16,000 as at 31 August 2019.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	100,065	100,065	468,049

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	9,007,797	9,007,797	6,598,369
Start up grants	-	175,000	175,000	-
Other DfE group grants	-	520,940	520,940	315,247
	-	9,703,737	9,703,737	6,913,616
<b>Other government grants</b>				
Local authority grants	-	57,925	57,925	27,973
<b>Other funding</b>				
Teaching school	-	46,000	46,000	46,000
Catering income	376,945	-	376,945	341,825
Other incoming resources	20,977	-	20,977	70,406
	397,922	46,000	443,922	458,231
<b>Total funding</b>	397,922	9,807,662	10,205,584	7,399,820

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	17,039	-	17,039	9,940
Catering income	32,183	-	32,183	18,419
Support services to other schools	81,289	-	81,289	78,094
School trips	126,207	-	126,207	146,463
Teaching school	149,035	-	149,035	89,826
Other income	109,182	-	109,182	51,855
	514,935	-	514,935	394,597

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	538	-	538	353

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2019	2018
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	358,189	358,189	405,574
Academy's educational operations					
- Direct costs	6,466,092	-	683,635	7,149,727	5,539,604
- Allocated support costs	1,586,003	824,853	922,534	3,333,390	2,084,997
Teaching schools					
- Direct costs	115,091	-	3,978	119,069	19,395
- Allocated support costs	19,847	-	3,295	23,142	26,605
	<u>8,187,033</u>	<u>824,853</u>	<u>1,971,631</u>	<u>10,983,517</u>	<u>8,076,175</u>

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Fees payable to auditor for:		
- Audit	7,500	7,000
- Other services	5,650	5,300
Operating lease rentals	39,262	32,283
Depreciation of tangible fixed assets	129,397	134,862
Net interest on defined benefit pension liability	38,000	31,000
	<u>199,809</u>	<u>209,445</u>

### 8 Central services

The academy trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- educational support services; or
- others as arising.

No charge was made for central services in the period, all central services have been funded by academy growth funds and other grant income.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Direct costs</b>				
Educational operations	9,218	7,140,509	7,149,727	5,539,604
Teaching schools	-	119,069	119,069	19,395
<b>Support costs</b>				
Educational operations	423,817	2,909,573	3,333,390	2,084,997
Teaching schools	-	23,142	23,142	26,605
	<u>433,035</u>	<u>10,192,293</u>	<u>10,625,328</u>	<u>7,670,601</u>

	2019 £	2018 £
<b>Analysis of support costs</b>		
Support staff costs	1,605,850	739,618
Depreciation	129,397	134,862
Technology costs	75,771	-
Premises costs	695,456	584,055
Other support costs	540,581	597,818
Governance costs	309,477	55,249
	<u>3,356,532</u>	<u>2,111,602</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	6,090,243	4,578,307
Social security costs	618,854	476,862
Pension costs	1,381,779	877,247
Amounts paid to employees	<u>8,090,876</u>	<u>5,932,416</u>
Agency staff costs	96,157	47,735
Amounts paid to staff	<u>8,187,033</u>	<u>5,980,151</u>
Staff development and other staff costs	60,458	14,682
Total staff expenditure	<u>8,247,491</u>	<u>5,994,833</u>

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Staff

(Continued)

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	108	71
Administration and support	54	35
Management	15	23
	<u>177</u>	<u>129</u>

#### Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	8	3
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>1</u>	<u>4</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer NI costs) received by key management personnel for their services to the academy trust was £1,283,875 (2018: £1,002,704).

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Executive Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment, and not in respect of their services as trustees. During the year no expense payments were made to trustees (2018: none).

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

N Hurn (Executive headteacher):

Remuneration	£140,001 - £145,000 (2018: £135,001 - £140,000)
Employer's pension contributions	£20,001 - £25,000 (2018: £20,001 - £25,000)

E Thompson (Unit manager) - retired from employment August 2018:

Remuneration	Nil (2018: £35,001 - £40,000)
Employer's pension contributions	Nil (2018: £5,001 - £10,000)

C Young (Head of maths)

Remuneration	£35,001 - £40,000 (2018: Nil)
Employer's pension contributions	£1 - £5,000 (2018: Nil)

Other related party transactions involving the trustees are set out within the related parties note.

### 12 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 13 Tangible fixed assets

	Assets under construction	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2018	256,753	4,173,589	838,756	284,870	12,000	5,565,968
Transfer	(256,753)	256,753	-	-	-	-
Transfer on conversion	-	27,230	68,651	7,976	27,929	131,786
Additions	-	240,503	21,078	16,330	-	277,911
At 31 August 2019	-	4,698,075	928,485	309,176	39,929	5,975,665
<b>Depreciation</b>						
At 1 September 2018	-	218,182	815,619	182,163	11,284	1,227,248
Charge for the year	-	83,472	15,040	30,169	716	129,397
At 31 August 2019	-	301,654	830,659	212,332	12,000	1,356,645
<b>Net book value</b>						
At 31 August 2019	-	4,396,421	97,826	96,844	27,929	4,619,020
At 31 August 2018	256,753	3,955,407	23,137	102,707	716	4,338,720

### 14 Stocks

	2019 £	2018 £
School uniform	-	3,805

### 15 Debtors

	2019 £	2018 £
Trade debtors	70,003	-
VAT recoverable	439,016	162,811
Other debtors	460	-
Prepayments and accrued income	1,174,391	386,226
	1,683,870	549,037

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

<b>16 Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	443,551	140,816
Other taxation and social security	328,713	119,739
Other creditors	333,172	134,147
Accruals and deferred income	279,390	395,395
	<u>1,384,826</u>	<u>790,097</u>
<b>17 Creditors: amounts falling due after more than one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other loans	<u>105,000</u>	<u>105,000</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	105,000	105,000
Less: included in current liabilities	-	-
	<u>105,000</u>	<u>105,000</u>
Amounts included above	<u>105,000</u>	<u>105,000</u>
<b>Loan maturity</b>		
Due in more than one year but not more than two years	10,500	10,500
Due in more than two years but not more than five years	31,500	31,500
Due in more than five years	63,000	63,000
	<u>105,000</u>	<u>105,000</u>

The loan relates to a CIF loan provided by the ESFA totalling £105,000, the loan duration is 10 years and the interest rate is 1.85%. All of the loan has been disclosed as due after one year, repayments are due to start in 2020/21.

<b>18 Deferred income</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	<u>68,466</u>	<u>65,612</u>
Deferred income at 1 September 2018	65,612	68,775
Released from previous years	(65,612)	(68,775)
Resources deferred in the year	<u>68,466</u>	<u>65,612</u>
<b>Deferred income at 31 August 2019</b>	<u>68,466</u>	<u>65,612</u>

At the balance sheet date the academy trust was holding funds received in advance for school trip income relating to the next financial year.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	92,716	9,007,797	(8,972,594)	113,901	241,820
Start up grants	-	175,000	(175,000)	-	-
Other DfE / ESFA grants	-	520,940	(487,747)	-	33,193
Other government grants	-	57,925	(57,925)	-	-
Teaching schools	-	46,000	(142,211)	96,211	-
Pension reserve	(1,082,000)	(2,211,000)	(426,000)	(2,320,000)	(6,039,000)
	<u>(989,284)</u>	<u>7,596,662</u>	<u>(10,261,477)</u>	<u>(2,109,888)</u>	<u>(5,763,987)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	8,573	131,786	(8,573)	-	131,786
DfE group capital grants	4,470,330	100,065	(91,327)	(113,901)	4,365,167
Capital expenditure from GAG	72,661	-	(29,497)	-	43,164
	<u>4,551,564</u>	<u>231,851</u>	<u>(129,397)</u>	<u>(113,901)</u>	<u>4,540,117</u>
<b>Total restricted funds</b>	<u>3,562,280</u>	<u>7,828,513</u>	<u>(10,390,874)</u>	<u>(2,223,789)</u>	<u>(1,223,870)</u>
<b>Unrestricted funds</b>					
General funds	71,490	1,852,859	(592,643)	-	1,331,706
Teaching schools	49,679	149,035	-	(96,211)	102,503
	<u>121,169</u>	<u>2,001,894</u>	<u>(592,643)</u>	<u>(96,211)</u>	<u>1,434,209</u>
<b>Total funds</b>	<u>3,683,449</u>	<u>9,830,407</u>	<u>(10,983,517)</u>	<u>(2,320,000)</u>	<u>210,339</u>

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### 19 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grant income includes Pupil Premium, PE grant, Headteacher Board income and pupil exclusions income.

Teaching schools income is generated through grants and self-generated income. These elements are shown within restricted and unrestricted funds where appropriate.

The pension reserve reflects the LGPS transactions. 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, and the pension liability has therefore been aligned with these funds.

DfE/EFA capital grants include £100,065 Devolved Formula Capital (DFC).

Asset additions funded by GAG and unrestricted funds are reflected in the gains, losses and transfers column. Some non-capitalised expenditure has been funded by capital grants, this is also shown in this column.

The Inherited Fixed Asset Fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

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

The academy's restricted general and unrestricted funds were £1,709,222 as at 31 August 2019.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	68,566	6,598,369	(6,586,608)	12,389	92,716
Other DfE / ESFA grants	-	315,247	(317,866)	2,619	-
Other government grants	-	27,973	(27,973)	-	-
Teaching schools	-	46,000	(46,000)	-	-
Other restricted funds	13,786	1,250	(15,274)	238	-
Pension reserve	(1,323,000)	-	(165,000)	406,000	(1,082,000)
	<u>(1,240,648)</u>	<u>6,988,839</u>	<u>(7,158,721)</u>	<u>421,246</u>	<u>(989,284)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	34,450	-	(25,877)	-	8,573
DfE group capital grants	4,090,604	468,049	(60,231)	(28,092)	4,470,330
Capital expenditure from GAG	105,712	-	(48,754)	15,703	72,661
	<u>4,230,766</u>	<u>468,049</u>	<u>(134,862)</u>	<u>(12,389)</u>	<u>4,551,564</u>
<b>Total restricted funds</b>	<u>2,990,118</u>	<u>7,456,888</u>	<u>(7,293,583)</u>	<u>408,857</u>	<u>3,562,280</u>
<b>Unrestricted funds</b>					
General funds	63,593	716,105	(705,351)	(2,857)	71,490
Teaching schools	37,094	89,826	(77,241)	-	49,679
	<u>100,687</u>	<u>805,931</u>	<u>(782,592)</u>	<u>(2,857)</u>	<u>121,169</u>
<b>Total funds</b>	<u>3,090,805</u>	<u>8,262,819</u>	<u>(8,076,175)</u>	<u>406,000</u>	<u>3,683,449</u>

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Funds

(Continued)

#### Total funds analysis by academy

	2019	2018
	£	£
Fund balances at 31 August 2019 were allocated as follows:		
Cardinal Hume Catholic School	493,195	213,885
St Anne's Catholic Primary School	83,469	-
St Joseph's Catholic Primary School	156,761	-
St Michael's Catholic Primary School	205,091	-
St Bede's Catholic Primary School	53,022	-
Our Lady Queen of Peace Catholic Primary School	118,258	-
St Robert of Newminster Catholic School and Sixth Form College	431,791	-
St John Boste Catholic Primary School	143,722	-
Central services	23,913	-
Total before fixed assets fund and pension reserve	1,709,222	213,885
Restricted fixed asset fund	4,540,117	4,551,564
Pension reserve	(6,039,000)	(1,082,000)
Total funds	210,339	3,683,449

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£	£	£	£	£	£
Cardinal Hume Catholic School	5,084,630	901,156	527,071	1,520,227	8,033,084	7,776,313
St Anne's Catholic Primary School	87,876	20,747	4,659	21,307	134,589	-
St Joseph's Catholic Primary School	88,476	19,622	7,943	22,045	138,086	-
St Michael's Catholic Primary School	97,350	15,321	10,948	16,335	139,954	-
St Bede's Catholic Primary School	93,988	21,501	11,066	15,520	142,075	-
Our Lady Queen of Peace Catholic Primary School	142,291	21,177	20,411	24,580	208,459	-
St Robert of Newminster Catholic School and Sixth Form College	900,381	183,075	42,982	106,290	1,232,728	-
St John Boste Catholic Primary School	86,187	19,246	2,073	21,162	128,668	-
Central services	-	16,000	-	254,477	270,477	-
	<u>6,581,179</u>	<u>1,217,845</u>	<u>627,153</u>	<u>2,001,943</u>	<u>10,428,120</u>	<u>7,776,313</u>

### 20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	4,619,020	4,619,020
Current assets	1,604,382	1,489,666	26,097	3,120,145
Creditors falling due within one year	(170,173)	(1,214,653)	-	(1,384,826)
Creditors falling due after one year	-	-	(105,000)	(105,000)
Defined benefit pension liability	-	(6,039,000)	-	(6,039,000)
<b>Total net assets</b>	<u>1,434,209</u>	<u>(5,763,987)</u>	<u>4,540,117</u>	<u>210,339</u>

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	4,338,720	4,338,720
Current assets	162,487	573,129	586,210	1,321,826
Creditors falling due within one year	(41,318)	(480,413)	(268,366)	(790,097)
Creditors falling due after one year	-	-	(105,000)	(105,000)
Defined benefit pension liability	-	(1,082,000)	-	(1,082,000)
<b>Total net assets</b>	<b>121,169</b>	<b>(989,284)</b>	<b>4,551,564</b>	<b>3,683,449</b>

### 21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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.

Contributions amounting to £271,075 (2018: £95,557) were payable to the schemes at 31 August and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 21 Pension and similar obligations

(Continued)

##### **Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

##### **Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £393,893 (2017: £408,679).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

##### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13.2% for employers and 5.5 -12.5% for employees.

As described in note 28 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Pension and similar obligations (Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	245,000	177,000
Employees' contributions	79,000	71,000
Total contributions	324,000	248,000

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.6	3.5
Rate of increase for pensions in payment/inflation	2.1	2.0
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.1	2.0

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

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

Scheme liabilities would have been affected by changes in assumptions as follows:

The academy trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	6,352,190	2,257,875
Government bonds	397,618	133,800
Corporate bonds	1,105,572	374,640
Cash	203,658	73,590
Property	834,028	284,325
Other assets	804,934	220,770
Total market value of assets	9,698,000	3,345,000

The actual return on scheme assets was £348,000 (2018: £226,000).

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	422,000	311,000
Past service cost	211,000	-
Interest income	(124,000)	(75,000)
Interest cost	162,000	106,000
Total operating charge	671,000	342,000

Changes in the present value of defined benefit obligations	2019 £	2018 £
At 1 September 2018	4,427,000	4,239,000
Obligations acquired on conversion	7,923,000	-
Current service cost	422,000	311,000
Interest cost	162,000	106,000
Employee contributions	79,000	71,000
Actuarial loss/(gain)	2,544,000	(255,000)
Benefits paid	(31,000)	(45,000)
Past service cost	211,000	-
At 31 August 2019	15,737,000	4,427,000

Changes in the fair value of the academy trust's share of scheme assets	2019 £	2018 £
At 1 September 2018	3,345,000	2,916,000
Assets acquired on conversion	5,712,000	-
Interest income	124,000	75,000
Actuarial gain	224,000	151,000
Employer contributions	245,000	177,000
Employee contributions	79,000	71,000
Benefits paid	(31,000)	(45,000)
At 31 August 2019	9,698,000	3,345,000

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 22 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,153,110)	186,644
Adjusted for:		
Net deficit on conversion to academy	990,715	-
Capital grants from DfE and other capital income	(100,065)	(468,049)
Investment income receivable	(538)	(353)
Defined benefit pension costs less contributions payable	388,000	134,000
Defined benefit pension scheme finance cost	38,000	31,000
Depreciation of tangible fixed assets	129,397	134,862
Decrease/(increase) in stocks	3,805	(280)
(Increase) in debtors	(1,134,833)	(168,212)
Increase in creditors	594,729	172,772
<b>Net cash (used in)/provided by operating activities</b>	<b>(243,900)</b>	<b>22,384</b>

### 23 Commitments under operating leases

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

	2019 £	2018 £
Amounts due within one year	84,437	30,164
Amounts due in two and five years	115,431	53,941
	<b>199,868</b>	<b>84,105</b>

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 24 Related party transactions

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

The academy trust occupies the footprint of the school building which is owned by its trustees, the Diocese of Hexham and Newcastle. The Diocese are the providers of the buildings on the same basis as when the academy was a maintained school. The academy trust occupies the buildings under a mere licence. This continuing permission of the trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the academy trust is occupying the buildings the trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy.

#### Expenditure related party transactions

Miss M Stuart is employed by the trust and is the daughter of Mr M Stuart, a trustee of the trust (resigned as a trustee November 2018), he has had no subsequent involvement in any aspect of her terms, conditions or remuneration, which have been determined in line with the national agreements on pay scales.

Mrs S Walker is employed by the trust and is the daughter of Mrs S Lawson, a trustee of the trust, he has had no subsequent involvement in any aspect of her terms, conditions or remuneration, which have been determined in line with the national agreements on pay scales.

During the year the trust purchased staff insurance provision from The Education Mutual Limited, a company in which Mr N Hurn OBE is also a director. The trust paid premiums of £25,920 during the year and received income of £13,630.

- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr N Hurn OBE neither participated in, nor influenced
- The Education Mutual Limited is a not for profit mutual company and all services are provided at cost. The company has provided a statement of assurance confirming this.
- In entering into all of these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

### 25 Members' liability

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

### 26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust brought forward £30,442 undistributed funds, received £36,543 and disbursed £31,820 from the fund. An amount of £43,306 is included in other creditors relating to undistributed funds that are repayable to ESFA.

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

27 Teaching schools trading account	2019		2018	
	£	£	£	£
<b>Direct income</b>				
External funding		46,000		46,000
<b>Other income</b>				
Fundraising and other trading activities		149,035		89,826
<b>Total income</b>		195,035		135,826
<b>Direct costs</b>				
Direct staff costs	115,091		25,660	
Staff development	3,978		-	
	<u>119,069</u>		<u>25,660</u>	
<b>Other costs</b>				
Support staff costs	19,847		26,605	
Other support costs	3,295		70,976	
	<u>23,142</u>		<u>97,581</u>	
<b>Total expenditure</b>		(142,211)		(123,241)
<b>Surplus from all sources</b>		52,824		12,585
Teaching schools balances at 1 September 2018		49,679		37,094
<b>Teaching schools balances at 31 August 2019</b>		<u>102,503</u>		<u>49,679</u>

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 28 Conversion to an academy

On 1 June 2019 St Anne's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Trinity Catholic Multi Academy Trust from the Local Authority for £nil consideration.

On 1 July 2019 St Joseph's Catholic Primary School, St Michael's Catholic Primary School, St Bede's Catholic Primary School, Our Lady Queen of Peace Catholic Primary School, St Robert of Newminster Catholic School and Sixth Form College and St John Boste Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Trinity Catholic Multi Academy Trust from the Local Authority for £nil consideration.

The transfers have been accounted for as combinations that are in substance gifts. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
St Anne's Catholic Primary School	Gateshead	1 June 2019
St Joseph's Catholic Primary School	Sunderland	1 July 2019
St Michael's Catholic Primary School	Sunderland	1 July 2019
St Bede's Catholic Primary School	Sunderland	1 July 2019
Our Lady Queen of Peace Catholic Primary School	Sunderland	1 July 2019
St Robert of Newminster Catholic School and Sixth Form College	Sunderland	1 July 2019
St John Boste Catholic Primary School	Sunderland	1 July 2019

	2019 £
<b>Net assets transferred:</b>	
Other tangible fixed assets	131,786
Cash	1,088,499
Pension scheme deficit	(2,211,000)
	<u>(990,715)</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £
<b>Funds surplus/(deficit) transferred:</b>				
Fixed assets funds	-	-	131,786	131,786
LA budget funds	1,088,499	-	-	1,088,499
LGPS pension funds	-	(2,211,000)	-	(2,211,000)
	<u>1,088,499</u>	<u>(2,211,000)</u>	<u>131,786</u>	<u>(990,715)</u>

# THE TRINITY CATHOLIC MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### 28 Conversion to an academy

(Continued)

Tangible fixed assets on conversion have been transferred at their fair value on the date of conversion. Budget funds have been transferred at the cash value on conversion. LGPS liabilities transferred have been calculated by actuaries.