

Trinity Academy

Annual Report and Financial Statements

31 August 2013

Company registration number
(England and Wales)
4916397

Trinity Academy
Annual Report and Financial Statements
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Trinity Academy
Reference and Administrative Details

Governors	David Barnes (retired 31 March 2013) Geoffrey Davies Edward Gould Mark Harvey Nigel Robson (Chairman) Canon Rev Stephen Taylor
Principal & Accounting Officer	Ian Brew
Company Secretary	Patricia Rowland
Senior Management Team	Dr Julie McGonigle (Vice Principal) John Bunce (Vice Principal) Andy Martin (Vice Principal)
School address	Trinity Academy Church Balk Thorne Doncaster DN8 5BY
Registered office	Trinity House Bede Academy Sixth Avenue Blyth Northumberland NE24 2SY
Company Registration Number	4916397
Auditors	Kinnair and Company Aston House Redburn Road Newcastle upon Tyne NE5 1NB
Bankers	Barclays Bank plc 71 Grey Street Newcastle upon Tyne NE99 1JA
Solicitors	Eversheds LLP Central Square South Orchard Street Newcastle upon Tyne NE99 1JA

The governors present their annual report together with the financial statements and auditor's reports for the year ended 31 August 2013.

Structure, Governance and Management

Constitution

Trinity Academy (the company, the charitable company, the academy, the school) is a company limited by guarantee (registered number 4916397) and an exempt charity. The company's memorandum and articles of association dated September 2003 are its primary governing documents.

The Academy is part of The Emmanuel Schools Foundation (company number 4464331), network of academies and one city technology college. The Emmanuel Schools Foundation (ESF) is controlled by United Learning Trust which appoints the trustees and board members of ESF. United Learning Trust is a subsidiary of the United Church Schools Trust which operates a number of independent schools across England. The ultimate controlling organisation is the United Church Schools Foundation Limited.

In January 2012 it was announced that the Emmanuel Schools Foundation and United Learning Trust would separate. Discussions have taken place during the year with a view to establishing a new Board for ESF, which in turn will result in the appointment of new governors and a revised governance structure. This will then be implemented during the forthcoming year 2013 - 14. The intention is to maintain the ethos and character of the Emmanuel Schools Foundation schools within the north east of England, but to update the corporate structures and governance to reflect the current needs.

The governing body of the charitable company is the board of governors who act as the trustees for the charitable activities of the school and are also the directors of the charitable company for the purposes of company law.

The governors who acted during the year and up to the date of this report are shown in the reference and administrative details on page 1.

Members' Liability

As a company limited by guarantee, the academy does not have share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Governors' Indemnities

The academy has purchased insurance to protect governors and officers from negligent acts, errors or omissions occurring whilst on academy business, as set out in note 12 to the accounts.

Principal Activities

The principal activity of Trinity Academy is to provide education for pupils of different abilities between the ages of 11 and 19 in the Thorne and Moorends area of Doncaster, with a specialism of business and enterprise.

Method of Recruitment and Appointment or Election of Governors

Five directors were appointed by the board of The Emmanuel Schools Foundation, and one was co-opted by the board. In accordance with the governing document, a parent member is also elected. Directors may serve for four years but are eligible for re-election at the meeting at which they retire.

Structure, Governance and Management (continued)

Policies and Procedures Adopted for the Induction and Training of Governors

Training and induction is provided for all new governors depending on their existing experience. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of any governing documents that are relevant to their role.

Organisational Structure

The governors are responsible for setting general policy, but the management of the school is delegated to the principal and the school's leadership group, which consists of three vice principals, an assistant principal and five assistant vice principals.

Risk Management

The governors have ensured that the major risks to which the academy is exposed have been identified and that risk management strategies have been implemented.

The governors have developed systems to respond quickly to evolving risks arising from factors within the school and to changes in the external environment including procedures for reporting failings immediately to appropriate levels of management and the trustees, together with details of corrective action being undertaken. They have embedded the control system in the academy's operations so that it becomes part of the culture of the academy and communicated that employees have responsibility for internal control as part of their accountability for achieving objectives.

Connected Organisations including Related Party Relationships

The school is part of the Emmanuel Schools Foundation (company number 4464331) network of academies and one city technical college. The United Learning Trust appoints the trustees and board members to the Emmanuel Schools Foundation. The United Learning Trust is a subsidiary of the United Church School Trust which operates a number of independent schools across England. The ultimate controlling organisation is the United Church Schools Foundation Limited.

Objectives and Activities

Objects and Aims

The main objectives of the academy are summarised below:

- to raise the standard of education achievement of all pupils;
- to ensure that every child enjoys the same high quality of education in terms of resourcing, tuition and care;
- to improve the effectiveness of the academy by keeping the curriculum and structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct our business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The school's objectives, strategies and activities are set to reflect the educational aims and the ethos of the school. The key objectives for the year included maintaining and enhancing the academic success and reputation of the school, promoting a two-way community involvement, and encouraging students to support a wide range of charitable projects.

Objectives and Activities (continued)

Public Benefit

The governors confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission and they are satisfied that the school's public benefit is clearly demonstrated in the strategies and objectives set out above and the achievements summarised below.

Disabled Persons

The policy of the academy is to support the teaching and employment of disabled persons both in recruitment and by retention of staff and students who become disabled during their time at the academy, as well as generally through training and career development. Lifts, ramps, automatic doors and disabled toilets are installed and door widths are suitable to enable wheelchair access to all the main areas of the academy. The academy places special emphasis on teaching young people who have visual, hearing, physical and learning difficulties.

Equal Opportunities

The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Achievements and Performance

Achievements in the Year

Trinity Academy continues to enjoy an outstanding reputation not only in Doncaster but throughout the North of England. It has received many awards including the most improved academy in the country and the most improved school in Yorkshire and Humberside. The high level of oversubscription for student places indicates the continuing popularity of the school in the local community. Improvement in student attainment is outstanding, now more than four times the level of the predecessor school. In sport, student development and community involvement the young people of Trinity Academy are excelling. This progress was confirmed by the award of an "Outstanding" by Ofsted following the inspection in Summer 2011.

Trinity Academy has continued to build upon the award of an "Outstanding" from Ofsted following their inspection in 2011. In the summer of 2013 the proportion of grades A* - C was 61% and 73 students secured a place at university. The proportion of grades A* - E at A-Level was 98.3%. Trinity Academy continues to have a positive impact in the community when we remember just 11 pupils applied in the year before it opened. At GCSE the figure of A* - C CHIME increased by over one percentage point to 58.2%. There was significant improvement in English with 79% of pupils achieving grade C or higher. The English Baccalaureate measure was 21.2%, well above the national average. Further development work has taken place to measure progress across all learner groups.

The academy promotes community involvement by making its facilities available to individuals, groups and businesses in the surrounding area for sports and conferencing activities. The academy has plans to further enhance this provision to ensure we are fully utilising facilities entrusted to us whilst involving the wider community.

Students are actively encouraged to support projects both at home and abroad and the fundraising activities this year included valentines cookies, sponsored football and spelling, a Dance Show, Trinity's got Talent competition and race for life. The charities which benefited were Cambodia Action (£1,000), Cancer Research (£1,416) and Bluebell Wood (£1,114).

Achievements and Performance (continued)

Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Financial Performance Indicators

The Governors approved the budget for the period 1 September 2012 – 31 August 2013 and forecasted a revenue surplus of £145,095, before depreciation charges. Staffing costs were budgeted at 78% of total income and actual costs were 76% of total income due to unused salary contingency and other general salary savings. Premises expenditure was budgeted at 6% and final expenditure was 5%. Other supplies and services were budgeted at 14% and final expenditure was 12% of total income.

Financial Review

Most of the academy's income is obtained from either the Education Funding Agency (EFA) in the form of recurrent grants, or from Doncaster Local Education Authority (LEA), the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Expenditure for the year was mainly covered by grants from the EFA, LEA and other income. The revenue surplus for the year was £382,591 before transfers.

At 31 August 2013 the net book value of tangible fixed assets was £19,386,316, and movements in tangible fixed assets are shown in Note 13 to the accounts. The assets are used exclusively for providing education and associated support services to the pupils of the academy. The balance sheet restricted fixed asset fund is reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned to agree to the net book value.

The academy held fund balances at 31 August 2013 of £20,393,504 comprising the restricted fixed asset fund, a surplus of £571,192 on unrestricted income funds and a surplus of £435,996 for restricted income funds. This fund includes the pension deficit figure of £640,000. The fund balances are adequate to fulfil obligations of the academy and provide a balance against most unforeseen future events.

The pension scheme liability relates to a non-cash provision for the academy's share of the Local Government Pension Scheme and under the funding agreement the academy must show this pension liability on the balance sheet. However should operations cease this pension liability would be funded by the Department for Education.

Financial and Risk Management Objectives and Policies

The school's financial objectives, policies and risk management are monitored by the central finance team of the company's immediate parent.

Financial Review (continued)

Principal Risks and Uncertainties

The principal risk areas for the academy are the protection of pupils, employees and assets; and systems and procedures to minimise these are constantly being reviewed and updated.

The charitable company has Safeguarding and Child Protection policies in place which focus on the need to ensure that its pupils are safe, feel safe and are fully supported in this respect by their school. These policies also provide a framework for the academy to develop secure processes for identifying and supporting pupils at risk of abuse. The implementation and effectiveness of these policies and procedures, which adhere to DfE guidelines on safeguarding and child protection, are regularly monitored and reviewed.

Reserves Policy

The governors review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Historically the governors have proposed that the academy should hold an appropriate level of reserves which was initially equivalent of 12 weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The current level of free reserves (total funds less the amount held in pension reserve and fixed asset restricted funds) is £1,647,188. The current reserves represent 10.2 weeks expenditure.

Investments Policy

The governors have the power to invest monies of the charitable company, not immediately required for the furtherance of its objects, as they see fit.

Plans for Future Periods

As the academy enters its ninth year, a significant improvement in GCSE Grades will be the major challenge. A change at Vice-Principal level, and a more rigorous approach to data analysis and self evaluation will impact beneficially upon results as KS4. Curriculum development is geared to enhance the academy's ability to offer courses increasingly suited to students' individual aptitudes and interests, particularly post-14 years. The academy intends to build upon its impressive sixth form results enabling more of its students to go to top universities. The academy intends to focus on its gifted and most talented students to enhance their outcomes. The academy is planning to build during the coming year a 6th Form Extension to its existing building in order to improve its offer to 6th Form students.

Disclosure of Information to Auditors

In so far as the governors are aware:

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

Approval

This report was approved by the governing body on and signed on its behalf by:

.....
Nigel Robson
Chairman

Trinity Academy Governance Statement

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Trinity Academy 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 governing body has delegated the day-to-day responsibility to the principal, 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 school and the Secretary of State for Education. He is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met once during the year. Attendance at this meeting was as follows:

Governor	Meetings attended	Out of a possible
David Barnes (retired 31 March 2013)	0	1
Geoffrey Davies	1	1
Edward Gould	1	1
Mark Harvey	1	1
Nigel Robson	1	1
Canon Rev Stephen Taylor	1	1

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 ongoing process designed to identify and prioritise the risks to the achievement of the academy's 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 for the academy for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

Trinity Academy Governance Statement

The Risk and Control Framework

The academy'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 annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governor's has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governors have appointed Kinnair and Company, the external auditor, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis the reviewer reports to the board of governor's on the operation of the systems of control and on the discharge of the board of governor's financial responsibilities.

Review of Effectiveness

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

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approval

Approved by order of the members of the governing body on and signed by its order:

.....
Nigel Robson
Chairman

.....
Ian Brew
Accounting officer

Trinity Academy
Statement on Regularity, Propriety and Compliance

As accounting officer of Trinity Academy I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy governing body 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

.....
Ian Brew
Principal and accounting officer

Trinity Academy
Statement of Governors' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the governing body on and signed on its behalf by:

.....
Nigel Robson
Chairman

**Trinity Academy
Independent Auditors' Report
to the governors of Trinity Academy**

We have audited the accounts of Trinity Academy for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Annual Accounts Direction 2013 issued by the Education Funding Agency (EFA).

This report is made solely to the charitable company's governors, 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 governors those matters we are required to state to them in an auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Governors' Responsibilities (set out on page 10), the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its loss 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 Academies Accounts Direction 2013 issued by the EFA; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The independent auditors' report continues on the following page

**Trinity Academy
Independent Auditors' Report
to the governors of Trinity Academy (continued)**

Matters on which we are required to report by exception

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

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

Mai Mak BSc FCA
(Senior Statutory Auditor)

for and on behalf of
Kinnair and Company
Accountants and Statutory Auditors

Aston House
Redburn Road
Newcastle upon Tyne
NE5 1NB

20 December 2013

Trinity Academy

Independent Auditors' Report on Regularity to the Governing Body of Trinity Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 31 August 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Trinity Academy during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective Responsibilities of the Governing Body and Auditors

The governing body is responsible, under the requirements of Trinity Academy's funding agreement with the Secretary of State for Education dated January 2004 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mai Mak BSc FCA
Senior Statutory Auditor
for and on behalf of Kinnair and Company
Statutory Auditors, Newcastle upon Tyne
20 December 2013

Trinity Academy

Statement of Financial Activities for the Year Ended 31 August 2013 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Unrestricted Funds £	Restricted Income Funds £	Restricted Fixed Asset Funds £	2013 Total £	Restated 2012 Total £
Incoming resources						
Incoming resources from generated funds:						
- Activities for generating funds	3	22,466	254,163	-	276,629	272,399
- Investment income	4	15,300	-	-	15,300	17,525
Incoming resources from charitable activities:						
- Funding for the academy's educational operations	5	-	8,557,212	-	8,557,212	8,378,451
Total incoming resources		37,766	8,811,375	-	8,849,141	8,668,375
Resources expended						
Costs of generating funds:						
- Fundraising trading	7	-	375,011	-	375,011	369,704
Charitable activities:						
- Academy's educational operations	8	-	8,065,796	599,503	8,665,299	8,532,813
Governance costs	9	-	25,743	1,913	27,656	21,251
Total resources expended		-	8,466,550	601,416	9,067,966	8,923,768
Net incoming/(outgoing) resources before transfers		37,766	344,825	(601,416)	(218,825)	(255,393)
Transfer between funds	10	-	(227,245)	227,245	-	-
Net incoming/(outgoing) resources before other recognised gains or losses		37,766	117,580	(374,171)	(218,825)	(255,393)
Other recognised gains or losses						
Actuarial gains or losses on defined benefit pension schemes	23	-	141,000	-	141,000	(337,000)
Net movement in funds		37,766	258,580	(374,171)	(77,825)	(592,393)
Balances brought forward at 1 September		533,426	177,416	19,760,487	20,471,329	21,063,722
Funds carried forward at 31 August		571,192	435,996	19,386,316	20,393,504	20,471,329

**Trinity Academy
Balance Sheet
as at 31 August 2013**

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	13	19,386,316	19,760,487
Current assets			
Debtors	14	207,410	185,499
Cash at bank and in hand		1,885,239	1,654,288
		<u>2,092,649</u>	<u>1,839,787</u>
Creditors: amounts falling due within one year	15	(445,461)	(415,945)
Net current assets		<u>1,647,188</u>	<u>1,423,842</u>
Net assets excluding pension liability		<u>21,033,504</u>	<u>21,184,329</u>
Defined benefit pension scheme liability	23	(640,000)	(713,000)
Net assets		<u>20,393,504</u>	<u>20,471,329</u>
The funds of the academy			
Restricted funds:			
- General annual grants fund	17	251,631	161,449
- Restricted general reserve	17	824,365	728,967
- Restricted fixed asset funds	17	19,386,316	19,760,487
- Pension reserve	17	(640,000)	(713,000)
		<u>19,822,312</u>	<u>19,937,903</u>
Unrestricted funds:			
- General reserve	17	571,192	533,426
		<u>571,192</u>	<u>533,426</u>
Total funds		<u>20,393,504</u>	<u>20,471,329</u>

The financial statements on pages 14 to 33 were approved by the governors, and authorised for issue on and are signed on their behalf by:

.....
Nigel Robson
Chairman

Trinity Academy
Cash Flow Statement
for the year ended 31 August 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	19	442,896	279,871
Returns on investments and servicing of finance	20	15,300	17,525
Capital expenditure	20	(227,245)	(142,718)
Increase/(decrease) in cash		<u>230,951</u>	<u>154,678</u>
 Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the period		230,951	154,678
Change in net debt	21	<u>230,951</u>	<u>154,678</u>
Net funds at 1 September 2012		1,654,288	1,499,610
Net funds at 31 August 2013		<u>1,885,239</u>	<u>1,654,288</u>

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

1 Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the recommendations of Statement of Recommended Practice: Accounting and Reporting by Charities issued by the Charity Commission (SORP 2005), the Academies Accounts Direction issued by the Education Funding Agency (EFA), and the Companies Act 2006. The current accounting period covers 12 months to 31 August 2013. The corresponding amounts are for the 12 month period to 31 August 2012.

A restatement of the prior year comparatives was required due to changes in the classification of certain items of income and expenditure. School meal income is now recognised as an activity for generating funds instead of an incoming resource from charitable activities, and the costs of providing school meals is shown as a cost of generating funds. Adjustments were also made to reflect further EFA guidance on governance costs which are now restricted to costs associated with compliance with constitutional and statutory requirements.

A summary of the principal accounting policies which have been consistently applied, except as described above, is set out below.

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted income fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations and sponsorship income are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and receivable by the balance sheet date.

Other income is recognised in the period that the service or supply is completed or provided.

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

1 Statement of Accounting Policies (continued)

Incoming Resources (continued)

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

Resources Expended

Expenditure is charged on an accruals basis inclusive of irrecoverable VAT. Where costs cannot be directly attributable to particular headings they have been allocated on a basis consistent with the use of resources or on the basis of staff headcount.

Costs of generating funds are those costs incurred in trading activities that raise funds.

The cost of charitable activities are those costs incurred on the academy's educational operations.

Governance costs includes expenditure on the academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

Tangible Fixed Assets

All fixed assets are initially recorded at cost and depreciated over their useful economic life. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, the related grants are credited to a specific restricted fixed asset fund which is reduced over time on a basis consistent with the depreciation policy. The de minimis level for the capitalisation of assets is £500.

All assets are reviewed on an ongoing basis to ensure that the net book value of fixed assets is reasonable and gives a true representation of the value in use.

All assets under construction are capitalised within the balance sheet and depreciated when these are considered fit for purpose.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight line basis over the useful economic life of that asset as follows:

Freehold land and buildings	over 50 years
Fixtures, fittings & equipment etc.	over 5 years

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

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

1 Statement of Accounting Policies (continued)

Taxation

The academy 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, it is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme (SERPS), and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses. 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.

Fund Accounting

The academy operates restricted and unrestricted funds. Restricted funds relate to amounts received which have been specified for a particular use by the donor. All other funds are unrestricted funds which the charitable company may use for its charitable purposes at its discretion. Within unrestricted funds, the academy may designate certain funds for specific purposes.

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2013.

3 Activities for Generating Funds	2013	2012
	£	£
Catering income - restricted	254,163	243,106
Hire of facilities - unrestricted	22,466	29,293
	<u>276,629</u>	<u>272,399</u>
4 Investment Income	2013	2012
	£	£
Interest on cash deposits - unrestricted	<u>15,300</u>	<u>17,525</u>
5 Funding for the Academy's Educational Operations	2013	2012
	£	£
DfE / EFA grants		
General Annual Grant (GAG) (note 2)	8,079,873	8,045,438
Other DfE / EFA grants	341,881	209,713
	<u>8,421,754</u>	<u>8,255,151</u>
Other Government grants		
Local authority income	<u>76,145</u>	<u>52,678</u>
	<u>76,145</u>	<u>52,678</u>
Other income		
Non-government - revenue	<u>59,313</u>	<u>70,622</u>
	<u>8,557,212</u>	<u>8,378,451</u>

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

6 Resources expended

	Staff costs	Non-pay expenditure		Total 2013	Total 2012
	£	Premises	Other costs	£	£
		£	£		
Cost of activities for generating funds	201,363	-	173,648	375,011	369,704
Costs of the academy's educational operations					
- Direct costs	6,328,317	522,111	696,240	7,546,668	7,375,809
- Allocated support costs	109,352	77,392	931,887	1,118,631	1,157,004
	<u>6,639,032</u>	<u>599,503</u>	<u>1,801,775</u>	<u>9,040,310</u>	<u>8,902,517</u>
Governance costs including allocated support costs	-	1,913	25,743	27,656	21,251
	<u>6,639,032</u>	<u>601,416</u>	<u>1,827,518</u>	<u>9,067,966</u>	<u>8,923,768</u>

Incoming/outgoing resources for the year include:

	2013	2012
	£	£
Depreciation of owned fixed assets	601,107	613,474
Loss/(profit) on disposal of fixed assets	309	74
Auditors' remuneration for audit services	7,250	10,255
Auditors' remuneration for other services	2,531	2,315
	<u>2,531</u>	<u>2,315</u>

7 Costs of Generating Funds

	2013	2012
	£	£
Provision of school meals		
Staff costs	201,363	194,627
Catering supplies	173,648	175,077
	<u>375,011</u>	<u>369,704</u>

All of the above costs are restricted.

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

8 Charitable Activities - Academy's Educational Operations

	2013	2012
	£	£
Direct costs		
Teaching and educational support staff	6,328,317	6,259,465
Depreciation and loss on disposals	522,111	528,909
Educational supplies	202,393	175,057
Examination fees	156,385	147,277
Staff development	29,886	30,051
Technology costs	17,963	13,511
Travel and subsistence	-	80
Other direct costs	289,613	221,459
	<u>7,546,668</u>	<u>7,375,809</u>
Allocated support costs		
Support staff costs	109,352	113,370
Depreciation and loss on disposals	77,392	82,967
Recruitment and support	40,090	34,087
Maintenance of premises and equipment	87,966	95,152
Cleaning	19,705	18,241
Rates	63,025	60,302
Energy	193,434	169,225
Insurance	49,125	61,416
Security	62,626	61,259
Transport	5,330	4,536
Technology costs	91,528	113,507
Occupancy costs	23,529	22,248
Bank interest and charges	4,710	6,032
Other support costs	290,819	314,662
	<u>1,118,631</u>	<u>1,157,004</u>
	<u>8,665,299</u>	<u>8,532,813</u>

All of the above costs are restricted.

9 Governance Costs

	2013	2012
	£	£
Legal and professional fees	15,962	10,672
Fees paid to auditors	9,781	9,055
Depreciation and loss on disposals	1,913	1,524
	<u>27,656</u>	<u>21,251</u>

All of the above costs are restricted.

10 Transfers Between Funds

The gross transfer to the restricted fixed asset fund from the restricted income fund represents capital expenditure financed from the surplus annual grant.

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

11 Staff Costs	2013	2012
	£	£
Wages and salaries	5,469,833	5,419,023
Social security costs	405,441	403,866
Other pension costs	763,758	745,398
	<u>6,639,032</u>	<u>6,568,287</u>
Average number of employees during the year:	Number	Number
Teaching	113	110
Support	61	59
Administration	25	24
	<u>199</u>	<u>193</u>
Number of staff whose emoluments fell within the following bands:	2013	2012
	Number	Number
£60,001 to £70,000	2	2
£110,001 to £120,000	<u>1</u>	<u>1</u>

All of the above staff are members of a defined benefit pension scheme. The academy's cost of pension contributions for these employees in the year was £52,472.

12 Related Party Transactions - Governors Remuneration, Expenses and Indemnities

The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as governors. Other governors did not receive payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

I Brew (principal) £110,000 - £115,000 (2012: £110,000 - £115,000)
 There are no staff governors

Travelling, subsistence or other expenses totalling £2,039 (2012 - £nil) were reimbursed to governors during the year. In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business for £1,429 (2012 - £1,429). The insurance provides cover up to £5m on any one claim and the cost of this insurance is included in the total insurance cost.

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

13 Tangible fixed assets

	Freehold Land and Buildings	Fixtures and Fittings	Plant and Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2012	22,371,969	907,989	1,240,633	2,017,912	56,612	26,595,115
Additions	-	26,497	8,646	192,915	-	228,058
Disposals	-	-	-	(92,917)	-	(92,917)
At 31 August 2013	<u>22,371,969</u>	<u>934,486</u>	<u>1,249,279</u>	<u>2,117,910</u>	<u>56,612</u>	<u>26,730,256</u>
Depreciation						
At 1 September 2012	3,005,757	874,426	1,085,173	1,814,723	54,549	6,834,628
Charge for the year	447,440	12,512	51,294	89,154	707	601,107
On disposals	-	-	-	(91,795)	-	(91,795)
At 31 August 2013	<u>3,453,197</u>	<u>886,938</u>	<u>1,136,467</u>	<u>1,812,082</u>	<u>55,256</u>	<u>7,343,940</u>
Net book value						
At 31 August 2013	<u>18,918,772</u>	<u>47,548</u>	<u>112,812</u>	<u>305,828</u>	<u>1,356</u>	<u>19,386,316</u>
At 31 August 2012	<u>19,366,212</u>	<u>33,563</u>	<u>155,460</u>	<u>203,189</u>	<u>2,063</u>	<u>19,760,487</u>

Trinity Academy
Notes to the Financial Statements
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14 Debtors	2013	2012
	£	£
Trade debtors	552	6,176
VAT recoverable	35,046	25,534
Prepayments and accrued income	171,812	153,789
	<u>207,410</u>	<u>185,499</u>
15 Creditors: Amounts Falling due within one Year	2013	2012
	£	£
Trade creditors	128,031	115,406
Amounts owed to group undertakings	-	41
Other taxes and social security costs	121,184	124,758
Other creditors	94,979	88,664
Accruals and deferred income	101,267	87,076
	<u>445,461</u>	<u>415,945</u>
16 Deferred Income	2013	2012
	£	£
Deferred income at 1 September 2012	36,962	41,711
Resources deferred in the year	52,532	36,962
Amounts released from previous years	(36,962)	(41,711)
Deferred income at 31 August 2013	<u>52,532</u>	<u>36,962</u>

At the balance sheet date the academy held funds received in advance from the EFA for use in the next financial year.

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

17 Funds

	Balances at 1 Sep 2012 £	Incoming resources £	Outgoing resources £	Gains, losses and transfers £	Balances at 31 Aug 2013 £
Restricted income funds					
DfE/EFA annual grants	161,449	8,079,873	(7,762,446)	(227,245)	251,631
Other government grants	-	316,281	(316,281)	-	-
Restricted general reserve	728,967	415,221	(319,823)	-	824,365
Pension Reserve	(713,000)	-	(68,000)	141,000	(640,000)
	<u>177,416</u>	<u>8,811,375</u>	<u>(8,466,550)</u>	<u>(86,245)</u>	<u>435,996</u>
Restricted fixed asset funds					
DfE/EFA capital grants	16,820,473	-	(513,314)	-	16,307,159
Capital expenditure from GAG	702,496	-	(21,837)	227,245	907,904
Private sector sponsorship	1,832,428	-	(56,237)	-	1,776,191
Transfers from general funds	405,090	-	(10,028)	-	395,062
	<u>19,760,487</u>	<u>-</u>	<u>(601,416)</u>	<u>227,245</u>	<u>19,386,316</u>
Total restricted funds	<u>19,937,903</u>	<u>8,811,375</u>	<u>(9,067,966)</u>	<u>141,000</u>	<u>19,822,312</u>
Unrestricted funds					
Unrestricted general reserve	533,426	37,766	-	-	571,192
Total unrestricted funds	<u>533,426</u>	<u>37,766</u>	<u>-</u>	<u>-</u>	<u>571,192</u>
Total Funds	<u>20,471,329</u>	<u>8,849,141</u>	<u>(9,067,966)</u>	<u>141,000</u>	<u>20,393,504</u>

The restricted fixed assets fund represents capital grants, sponsorship and other funding received to finance the capital costs of the academy.

Restricted income funds are restricted for particular purposes by the donors. This includes the General Annual Grant (GAG) which must be used for the normal running costs of the academy.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

18 Analysis of Net Assets between Funds

	Unrestricted funds £	Restricted income funds £	Restricted fixed asset funds £	Total funds £
Fund balances are represented by:				
Tangible fixed assets	-	-	19,386,316	19,386,316
Current assets	571,192	1,521,458	-	2,092,650
Current liabilities	-	(445,461)	-	(445,461)
Pension scheme liability	-	(640,000)	-	(640,000)
Total net assets	<u>571,192</u>	<u>435,997</u>	<u>19,386,316</u>	<u>20,393,505</u>

**19 Reconciliation of Net Income to Net Cash
Inflow from Operating Activities**

	2013 £	2012 £
Net incoming resources	(218,825)	(255,393)
Depreciation charges and loss on disposal of fixed assets	601,416	613,400
Capital grants from DfE and other capital income	-	-
Interest receivable	(15,300)	(17,525)
Actuarial gain/(loss) on pension scheme (note 24)	141,000	(337,000)
Increase in debtors	(21,911)	(23,216)
(Decrease)/increase in creditors	(43,484)	299,605
Net cash inflow from operating activities	<u>442,896</u>	<u>279,871</u>

20 Gross Cash Flow

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	<u>15,300</u>	<u>17,525</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(228,058)	(145,562)
Receipts from sales of tangible fixed assets	813	2,844
	<u>(227,245)</u>	<u>(142,718)</u>

21 Analysis of Changes in Net Funds

	At 1 Sep 2012 £	Cash flows £	Non-cash changes £	At 31 Aug 2013 £
Cash at bank and in hand	1,654,288	230,951	-	1,885,239
Total	<u>1,654,288</u>	<u>230,951</u>	<u>-</u>	<u>1,885,239</u>

Trinity Academy
Notes to the Financial Statements
for the year ended 31 August 2013

22 Contingent liabilities

In the event, during the period of the funding agreement with the EFA, of the sale or disposal by other means, of any asset for which a capital grant was received, the charitable company shall, if it does not reinvest the proceeds, repay to the DfE the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost that was met by the DfE.

Upon termination of the funding agreement, whether as a result of the Secretary of State for the DfE or the charitable company serving notice, the company shall repay sums determined by reference to the value at the time of the academy's site and premises and other assets held for the purpose of the company, and the extent to which expenditure in providing those assets was met by the DfE.

The governors are not aware of any further contingent liabilities as at 31 August 2013.

23 Pension commitments

The academies 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 Yorkshire Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £94,482 (2012 - £88,062) were payable to the schemes at 31 August 2013 and are included within creditors.

The Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. 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.

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 are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' 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.

Trinity Academy
Notes to the Financial Statements
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23 Pension commitments (continued)

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

Trinity Academy
Notes to the Financial Statements
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23 Pension commitments (continued)

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

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 LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £208,575, of which employer's contributions totalled £144,276 and employees' contributions totalled £64,299. The agreed contribution rates for future years are 12.5% for employers and a scale range between 5.5% and 7.5% for employees.

Principal actuarial assumptions:

		At 31 Aug-13	At 31 Aug-12
<i>Financial assumptions</i>			
Inflation increases (CPI)		2.4%	2.2%
Salary increases		4.2%	4.0%
Pension increases		2.4%	2.2%
Discount rate for scheme liabilities		4.5%	4.3%
<i>Life expectancy assumptions</i>			
Retiring today:	Males	21.8	21.8
	Females	24.7	24.6
Retiring in 20 years:	Males	23.7	23.6
	Females	26.6	26.5

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23 Pension commitments (continued)

Surplus/(deficit) in the scheme:

The academy's share of the assets and liabilities in the scheme and the expected rates of return at the year end were:

	Expected returns		Fair values	
	2013 %	2012 %	2013 £ 000	2012 £ 000
Equities	7.0%	7.0%	1,457	1,267
Gilts	3.4%	2.5%	331	282
Other bonds	4.4%	3.4%	158	160
Property	5.7%	6.0%	228	187
Cash	0.5%	0.5%	48	51
Other	7.0%	7.0%	175	-
Total fair value of assets			<u>2,397</u>	<u>1,947</u>
Present value of scheme liabilities			(3,037)	(2,660)
Net pension asset/(liability)			<u>(640)</u>	<u>(713)</u>

The actual return on scheme assets was £255,000 (2012 - £102,000).

Amounts recognised in the statement of financial activities:

	2013 £ 000	2012 £ 000
Current service cost	(213)	(253)
Total operating charge	<u>(213)</u>	<u>(253)</u>

Analysis of pension finance (charge)/return:

	2013 £ 000	2012 £ 000
Expected return on employers share of scheme assets	114	157
Interest on pension liabilities	(120)	(162)
Pension finance (charge)/return	<u>(6)</u>	<u>(5)</u>

Actuarial gain or loss recognised in the statement of financial activities:

	2013 £ 000	2012 £ 000
Actuarial gain/(loss) for the current year	<u>141</u>	<u>(337)</u>

The actuarial gains and losses in the current year are recognised in the statement of financial activities. The cumulative amount of actuarial losses recognised since the adoption of FRS 17 is £697,000 (2012 - £556,000).

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23 Pension commitments (continued)

Movements in the present value of defined benefit obligations:

	2013	2012
	£ 000	£ 000
Opening defined benefit obligation	2,660	1,942
Service cost	213	253
Interest cost	120	162
Actuarial loss/(gain)	-	282
Employee contributions	64	93
Benefits paid	(20)	(72)
	<hr/>	<hr/>
Closing defined benefit obligation	<u>3,037</u>	<u>2,660</u>

Movements in the fair value of the academy's share of scheme assets:

	2013	2012
	£ 000	£ 000
Opening fair value of scheme assets	1,947	1,620
Expected return on scheme assets	114	157
Actuarial (loss)/gain	141	(55)
Employer contributions	151	204
Employee contributions	64	93
Benefits paid	(20)	(72)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>2,397</u>	<u>1,947</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £151,000.

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23 Pension commitments (continued)

The previous five years' history of experience adjustments are as follows:

	2012 £ 000	2011 £ 000	2010 £ 000	2009 £ 000	2008 £ 000
Present value of obligations	(2,660)	(1,942)	(1,941)	(3,104)	(2,460)
Fair value of share of assets	1,947	1,620	1,456	2,176	1,995
Surplus/(deficit) in the scheme	<u>(713)</u>	<u>(322)</u>	<u>(485)</u>	<u>(928)</u>	<u>(465)</u>
Adjustments on share of assets	<u>-</u>	<u>(67)</u>	<u>73</u>	<u>(168)</u>	<u>(312)</u>
Adjustments on liabilities	<u>-</u>	<u>77</u>	<u>-</u>	<u>-</u>	<u>21</u>

Sensitivity analysis:

Based on a small change in the discount rate on the defined benefit obligation and projected service cost along with a 1 year age rating adjustment to the mortality assumption.

Adjustment to discount rate	2013 + 0.1% £ 000	2013 + 0% £ 000
Present value of total obligation	<u>2,977</u>	<u>3,037</u>
Projected service cost	<u>206</u>	<u>213</u>
Adjustment to mortality assumption	2013 + 1 year £ 000	2013 + 0 yrs £ 000
Present value of total obligation	<u>3,092</u>	<u>3,037</u>
Projected service cost	<u>217</u>	<u>213</u>

24 Ultimate controlling party

The governors consider that the ultimate controlling party of the charitable company is United Church Schools Foundation Limited. The largest group of undertakings for which group accounts have been drawn up is that headed by United Church Schools Foundation Limited.