

Registration number: 07878966

# Trinity Church of England High School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

**HALLIDAYS**  
MORE THAN JUST ACCOUNTANTS

Hallidays  
Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
SK42HD

# Trinity Church of England High School

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# Trinity Church of England High School

## Reference and Administrative Details

Governors 2015/16	** Members of the Finance Committee
Members	Right Reverend David Walker, Bishop of Manchester The Very Rev Rogers Govender, Dean of Manchester Canon Maurice Smith, Diocesan Director of Education Mr Peter Hilton, Chair of Governors
Trustees	Mr David Ainsworth, Head and Accounting Officer** Mr Jan Artus, Foundation governor and Diocesan Education Board governor, ** (resigned 31 August 2016) Mr Rupert Caesar (resigned 31 August 2016) Dr Admos Chimhowu Rev Charles Gorton (resigned 9 February 2016) Mr Peter Hilton, Chair of Governors,** Dr Adanna Lazz-Onyenobi (appointed 1 January 2016) Mrs Pamela Lord, Chair of Finance** Prof Olwen McNamara, ** Ms Ann Meadowcroft,** Mr David Moore, Staff Trustee Cllr Nigel Murphy,** (appointed 1 September 2015) Rev. Prof. Peter Scott (resigned 9 February 2016) Mr Brian Selby, ** Cllr E Whitfield Stennett Mr Tom Wells, Staff Trustee Mrs Diane Gray-Stephenson Mr Robert Palmer Mr Simon Worsley, Staff Trustee Rev Joanne Calladine Mrs Jane Coogan (appointed 3 March 2016) Mrs Andrea Plimmer (appointed 3 March 2016) The Very Rev Rogers Govender, Dean of Manchester
Company Secretary	Mrs J Elliott, Business Manager

## Trinity Church of England High School

### Reference and Administrative Details (continued)

**Senior Management Team**

D S Ainsworth, Head and Principal Accounting Officer  
D Butt, Deputy Head  
A Flatman, Deputy Head  
J Nicholls, Deputy Head  
J Elliott, Business Manager  
R Hepworth, Assistant Head  
O Tattum, Assistant Head  
M Johnson, Assistant Head  
J Buck, Assistant Head  
E Kirkham, Assistant Head  
M Scott, Assistant Head  
D Westmoreland, Assistant Head  
A Baxendale, Assistant Head  
S Brooks, Assistant Head

**Principal and Registered Office**

Cambridge Street  
Hulme  
Manchester  
M156HP

**Company Registration Number**

07878966

**Auditors**

Hallidays  
Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
SK4 2HD

**Bankers**

Lloyds Bank  
53 King Street  
Manchester  
M24LQ

Nationwide Building Society  
PO Box 3  
5-11 St Georges Street  
Douglas  
Isle of Man  
IM99 1AS

## Trinity Church of England High School

### Trustees' Report for the Year Ended 31 August 2016

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

Trinity C of E High School is a single academy trust operating one school, Trinity C of E High School.

Trinity C of E High School is a converter academy (since January 2012) for pupils aged 11-16 serving a catchment area in Manchester. It has a pupil capacity of 1200 and had a roll of 1235 in the school census on 7 October 2015.

#### Structure, Governance and Management

##### *Constitution*

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

The trustees of Trinity Church of England High School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Trinity Church of England High School.

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

##### *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 become a member.

##### *Governors' and Trustees' Indemnities*

Professional indemnity insurance is in place to protect Trustees, Governors, and officers from claims arising from negligent acts, error or omission occurring on Academy business. The insurance provides cover for up to £1,000,000. The academy have taken the Risk Protection Arrangement offered by the DfE.

## **Trinity Church of England High School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### *Method of Recruitment and Appointment or Election of Trustees*

All members of the Trust are recruited according to their expertise, experience and skills. Trustees are appointed for a term of four years by the following bodies:-

- The Members of the Trust
- Staff Representatives
- Parent Representatives
- Co-opted

Any new trustee would be appointed based on an assessment of the member's skill set. The term of office for any trustee is 4 years, save that this time limit shall not apply to the head teacher. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms set out in the articles of association.

The trustees are directors of the charitable company for the purpose of the Companies Act 2006 and trustees for the purpose of the charity legislation. Trustees are appointed by Members. The trustees may appoint up to 2 co-opted trustees.

Foundation trustees are appointed by the board of trustees. Trustees are appointed as and when vacancies occur or, when individuals with the skills required are identified.

Parent trustees shall be elected by parents of registered pupils in the academy, using the procedures set out in the articles of association. The Secretary of State retains the power to appoint additional trustees.

The trustees who were in office at 31 August 2016 are listed on page I.

#### *Policies and Procedures Adopted for the Induction and Training of Trustees*

New trustees (governors) are interviewed and selected onto the Board to maintain a robust overview and governance throughout the Academy. On all occasions induction is provided in the workings of the Academy, including policies and procedures, together with appropriate training opportunities based on their existing areas of expertise.

All trustees (governors) have access to the Service Level Agreement for Governor Support and Training purchased annually by the academy from One Education Ltd and the Manchester Diocesan Board of Education Service Level Agreement.

## **Trinity Church of England High School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### *Organisational Structure*

The officers of the Academy together with other administrative information are listed on page 1 to the financial statements.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of financial management information, making strategic decisions about the direction of the Academy and capital expenditure, making senior appointments, and approving the Annual Reports and Financial Statements.

The Head is the Accounting Officer. The day to day management of the Academy is delegated to the Head and the Senior Leadership Team. The trustees determine the strategic direction and policy of the Academy. They achieve this through sitting on one or more of the main committees: Curriculum, Finance, Premises, Personnel and full strategic trustee meetings.

The full trustee body meets 5 times each year, with the September meeting being the annual general meeting.

Committees for admissions, buildings, curriculum and personnel meet approximately half tennly and their decisions are ratified by the full trustee body.

The committee "Chairs" also meet at the Standing Committee.

The day to day management of the Academy is undertaken by the following:

D S Ainsworth - Head and Principal Accounting Officer

D Butt - Deputy Head

A Flatman - Deputy Head

J Nicholls - Deputy Head

J Elliott - Business Manager

## **Trinity Church of England High School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

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

The Academy Pay Policy sets out the pay conditions which the Trustees (Governing Body) apply regarding the remuneration of all the academy's teaching and support staff, including the leadership team.

The Trustees (Governing Body) have established a Pay Committee with delegated powers. Each year the Pay Committee, advised by the Head, review the pay of all staff. The Head provides relevant documents and information to the Pay Committee. All staff pay is reviewed annually in line with the criteria set out in the Pay Policy.

Staff pay is considered in the context of the school's overall finances.

The policy is implemented with due respect to the nationally agreed or statutory framework within which staff will be paid and the advice and guidelines set out by the Diocesan Board of Education.

For Teachers: the current School Teachers' Pay and Conditions Document and the Conditions of Service for School Teachers in England and Wales.

For Support Staff: the current national Joint Council Local Government Services National Agreement on Pay and Conditions of Service.

Pay progress is linked to the performance management process.

The performance management of the Senior Leadership Team is assessed and recommended by the Head. The Trustees (Governing Body) consider and approve these recommendations.

The Head is performance managed by the Chair of Governors, Chair of Personnel and an outside advisor.

The Trustees (Governing Body) approve the size and composition of the leadership group. Criteria outlining the pay range of Head, Deputy Heads and Assistant Heads are set out in the Management Support Group's Salaries and Grading document. Appropriate salary differentials between staff are maintained.

#### *Connected Organisations, including Related Party Relationships*

Trinity Sports Services Ltd: a wholly owned subsidiary of the Academy.

## Trinity Church of England High School

### Trustees' Report for the Year Ended 31 August 2016 (continued)

#### Objectives and Activities

To provide education to children in the 11-16 range who are admitted to the academy because they meet the requirements of the Admissions Policy.

The aim of the Trinity C of E High School is to "provide a Christian environment in which young people are safe, secure, cared for and happy, and are able to develop into articulate, confident and well qualified citizens of the world".

#### *Objects and Aims*

It is the policy of the Academy to enable students to attain the highest academic levels whilst pursuing a curriculum which is broad and balanced, with wide-ranging extra-curricular opportunities. A highly qualified staff and excellent facilities combine to provide a stimulating educational environment. Pastoral care and encouragement to individual development in creative, leadership and teamwork skills are also important objectives.

Students and staff are encouraged to contribute to the local community by the establishment and development of links at various levels with schools in the surrounding area.

#### *Objectives, Strategies and Activities*

Main objectives for the year: These are explained in full in the Academy's Development Plan which includes curriculum, ICT, Monitoring and Assessment, Partnerships, Primary School Transition/Church of England links, Staff Support, Teaching and Learning and Work Related Learning.

At Trinity C of E High School we aim to develop a school where everyone is valued and can achieve success, so enabling them to make a positive contribution to the community. The mission of the academy with its multi faith community is "faith in the city, value in people and excellence in education". This is central to its foundation.

#### Strategies pursued:

Excellent standards of behaviour which creates a well ordered community with learning and support of students at its heart.

The academy is oversubscribed in most year groups and progression from Yr6 to Yr7 is well planned and structured, providing support for all children.

KS4 has a variety of learning pathways and students are expected to either progress into the Trinity Sixth Form (opened September 2016) or join other institutions of further education.

The curriculum will equip all young people for higher education and the world of work.

Teaching and learning has pace, purpose, rigour and challenge. Students are able to progress as a result of personalised programmes of study and the provision of on-line curriculum.

Develop students confidence in the use of ICT.

Develop students self-awareness of strengths and weaknesses and, through assessment for learning, know what they need to do to improve.

Encourage student engagement and motivation.

Encourage students' high attendance levels.

Be committed to providing a Christian environment in which young people are safe, secure, cared for and happy. They are able to develop into articulate, confident and well qualified citizens of the world.

Provide support to other schools in Manchester and beyond.

## **Trinity Church of England High School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### **Significant activities linking to charitable activities and achievements**

##### **Community, citizenship and charity fundraising;**

Year 7 "Freshers' Fair" held at the beginning of the new academic year. This highlights the extra-curricular activities available. Opportunities available include sport, music, dance, drama and a whole range of other activities.

The Academy House system (Maple, Springbok, Wallaby, Tiger) encourages competition and involvement in raising funds for charities. These include: Harvest Festival collection, Shoebox Appeal, BBC Children in Need, Sport Relief Mile and Comic Relief.

Christian Retreat held annually at Edale in Derbyshire and Taize in France.

Numerous local and regional field trips and visits in order to bring subjects alive.

Service of Remembrance on 11th November, all students and staff in attendance.

##### ***Public Benefit***

The academy's purpose is to advance education as described in the various activities above. The Trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission (on their website at Charities and Public Benefit) in exercising their powers or duties.

## Trinity Church of England High School

### Trustees' Report for the Year Ended 31 August 2016 (continued)

#### Strategic Report

##### Achievements and Performance

- Pupil outcomes and achievements: Key Stage 4  
Headline data for 2016 (preliminary)

##### Attainment 8 = 5.27

Is the average grade achieved by a student in 8 defined subjects, 5.0 representing a grade "C".

##### Progress 8 = 0.16

Is the measure of a student's results when compared with their expected attainment. For us, the figure shows that, on average, students gained 0.16 of a grade higher than their expected attainment. (For some schools the figure can be minus, indicating that, on average, the students have regressed).

##### SA\*-C including English and Maths = 65%

This is 3% higher than in 2015

##### English Baccalaureate= 15%

For us, this measure means very little because we do not insist that all students follow the full English Baccalaureate range of subjects: that is, a modern foreign language and history or geography. We only insist on three of the five - English, mathematics and science. Unless this changes, our English Baccalaureate figure will always be relatively low.

Overall, therefore, we are pleased with the results.

- Staff are confident practitioners with appropriate professional development opportunities.
- Educational outcomes in all performance criteria are above national averages
- Trinity C of E High School continues to be "outstanding" in all categories (Ofsted January 2014)
- Trinity C of E High School achieved "outstanding" in all categories following the National Society Inspection (June 2016).
- Trinity C of E High School achieved Teaching School status (July 2016)

## Trinity Church of England High School

### Trustees' Report for the Year Ended 31 August 2016 (continued)

#### Strategic Report (continued)

Students and staff milestones include:

- Presentation Evening held at Manchester University's Great Hall- The Whitworth Hall.
- Annual Advent Service held at St. Ann's Church in central Manchester.
- National Society inspection "outstanding" in all categories.
- Awarded Teaching School status.
- Awarded full International School status.
- Students performed at the Anniversary Concert at the Royal Northern College of Music.
- Ten students from our orchestra were chosen to perform in a project with the National Orchestra For All at the Bridgewater Hall.
- National Poetry Day.
- World Book Day.
- Numerous after school clubs and activities eg. Film, gardening, chess, subject related etc.
- Year 10 team won the inter-school Ghyll Head Challenge at Windermere in Cumbria.
- Duke of Edinburgh Award at both bronze and silver medal level continues to grow.
- Student area of the school website has been completely revamped to accommodate the huge volume of study sources and activities that are now available for all pupils.
- Research with Manchester University and our Science department developing teaching resources that will encourage practical work in biology lessons.
- Year 10 Physics students undertook research and workshops at Jodrell Bank.
- Sport and Fitness achievements in:  
basketball competitions,  
a student won the National ABA U-16 Boxing Championship  
three students offered football scholarships at Wigan Athletic, Oldham Athletic and Bolton Wanderers  
Greater Manchester indoor rowing finals  
Dance Champion 2016
- Residential visits to Paris (Mathematics and Modern Foreign Language departments): France & Switzerland (IT department).
- Year 8 Peak District Trip (residential).

#### *Key Performance Indicators*

- Exam results
- Attendance 96.8%
- Trinity C of E High School is "outstanding" in all categories following the National Society Inspection (June 2016).
- Trinity C of E High School achieved Teaching School status
- Also achieved full International School status

#### *Going concern*

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

## Trinity Church of England High School

### Trustees' Report for the Year Ended 31 August 2016 (continued)

#### Strategic Report (continued)

##### **Financial review**

Most of the Academy income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the year ended 31 August 2016, and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received other grants from the EFA and other organisations. In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015) such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

The net incoming resources for the year amounted to £164,216 (2015: £1,994,272) before the actuarial loss on the defined benefit scheme. This was largely in line with the budgeted expectations and ensured that the existing financial strength of the Academy was reinforced.

The school is helped by the support of the Trinity Sports Services Limited, which provided £17,250 (2015: £31,250) from the hiring out of its facilities during vacations and after-school hours.

Total funds decreased by £1,005,784 (2015: increased by £1,900,272) for the year. The current year's movement includes an actuarial loss on the defined benefit pension scheme of £1,170,000 (2015: £94,000).

The expenditure which supported the key objectives of the Academy regarding the quality of staff, marketing the Academy, and development of Academy's facilities is detailed on page 39, note 7.

The Academy has net current assets as at 31 August 2016 amounting to £1,442,308. (2015: £1,446,957)

##### *Reserves policy*

The Trustees review the level of reserves on an annual basis. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Academy's current level of free reserves (total reserves less the amounts held in the fixed asset reserve and restricted fund reserve) is £867,954 (2015: £608,483).

The Academy has maintained cash reserves in excess of £1 million to contribute towards the 6th Form which is in the School Development Plan which opened to students in September 2016.

Note 17 to the financial statements shows the assets and liabilities attributable to the various funds by type, and also describes the various restricted funds of the Academy and summarises the year's movements on each fund.

The net liability due to the Academy's participation in the Local Government Pension Scheme (LGPS) amounts to £2,416,000 (2015: £1,122,000). Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding LGPS liabilities would be met by the Department for Education. This guarantee provides comfort to the Governors and Trustees in the unlikely event of Academy closure.

## Trinity Church of England High School

### Trustees' Report for the Year Ended 31 August 2016 (continued)

#### Strategic Report (continued)

##### *Investment Policy*

Cash balances are safeguarded by investing them in interest bearing current accounts with sound commercial banks.

An amount of £1 million has been invested in a higher interest rate account (1 year instant access) with the Nationwide Building Society earning interest of £9,926.

##### *Principle Risks and Uncertainties*

The principle risks to the Academy are documented and managed using a risk management policy and a risk register which is regularly reviewed.

During the year the Governors have examined the principal areas of the Academy's operations and considered the major risks in each of these areas. In the opinion of the Governors the Academy has established systems, which under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day to day operations.

A Policies and Procedures Register is updated on an on-going basis as amendments are approved by the appropriate committee and is reviewed in its entirety by the Governors on a three yearly basis.

The Governors continue to keep the Academy's activities under review, particularly with regard to any major risks that may arise from time to time, and monitor the effectiveness of the internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified by the Governors can be best mitigated.

The key controls in place used by the charity to mitigate these risks include;

- Formal agendas for all Committee activity,
- Detailed terms of reference for all Committees ,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure with clearly defined lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels,
- Vetting procedures as required by law
- Reporting systems.

## Trinity Church of England High School

### Trustees' Report for the Year Ended 31 August 2016 (continued)

#### Strategic Report (continued)

##### *Plans for future periods*

The Academy plans for the future include the aims and key objectives detailed in the School Development Plan (2015-2018).

The overall performance this year was extremely encouraging and as a consequence will directly reinforce the academy's medium to long-term strategy.

The Academy's main annual objectives for the next year are:

- To ensure the success of the Trinity Sixth Form- opening in September 2016
- To maintain the high results in GCSE examinations
- To continue to develop school facilities and best practices
- To build adequate financial reserves to support the new Sixth Form

Trinity is a Church of England, multi-faith community of over 1200 students with the mission of "faith in the city, value in people and excellence in education" central to its foundation. Excellent standards of behaviour will create a well ordered community with learning and the support of students at the heart. The school will be oversubscribed in all Year groups and progression from Y6 to Y7 will be well planned and structured, providing support for all children. The curriculum will be broad, balanced and relevant at both KS3 and KS4, allowing all students to achieve success.

At KS4 there will be a variety of learning pathways and all students will progress into post 16 study. The curriculum will equip all young people for further study and the world of work.

Teaching and learning will have pace, purpose, variety and rigour, and students will be able to progress as a result of personalised programmes of study and the provision of an on-line curriculum. All students will be confident users of ICT. Students will be aware of their own strengths and weaknesses and, through assessment for learning, know what they need to do to improve. Students engagement and motivation will be high and attendance will be in excess of 95%.

Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will be well above national averages and the school will be in the "high performing" category. The most recent Ofsted described Trinity as an "outstanding school". The strategic development of the school will be effectively planned, monitored and supported by a committed Governing Body.

Trinity is a centre of community activities and a beacon of excellence providing support to other schools in the Central Manchester Partnership and through its work as a high performing academy. Trinity will be committed to providing a Christian environment in which young people are safe, secure, cared for and happy, and are able to develop into articulate, confident and well qualified citizens of the world.

## Trinity Church of England High School

### Trustees' Report for the Year Ended 31 August 2016 (continued)

#### Auditor

In so far as the Trustees are aware:

there is no relevant audit information on which the charitable company's auditor is unaware; and

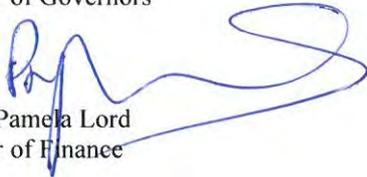
the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Governors of the Trinity Church of England High School on 1 December 2016 and signed on its behalf by:

Governors:

Mr Peter Hilton  
Chair of Governors

Mrs Pamela Lord  
Chair of Finance



# Trinity Church of England High School

## Governance Statement

### Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Trinity Church of England High School 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 Head, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Trinity Church of England High School 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 met 5 times during the academic year 2015-2016. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
	0	0
The Very Rev Rogers Govender, Dean of Manchester	2	5
Canon Maurice Smith, Diocesan Director of Education	0	0
Mr David Ainsworth	5	5
Mr Jan Artus, Foundation governor and Diocesan Education Board governor	5	5
Mr Rupert Caesar	4	5
Dr Admos Chimhowu	3	5
Rev Charles Gorton (resigned 9 February 2016)	0	2
Mrs Andrea Plimmer (appointed 3 March 2016)	2	2
Mr Peter Hilton, Chair of Governors	5	5
Dr Adanna Lazz-Onyenobi	3	5
Mrs Pamela Lord	5	5
Prof Oiwien McNamara	3	5
Mrs Jane Coogan (appointed 3 March 2016)	2	2
Cllr Nigel Murphy	3	5
Mrs Diane Gray-Stephenson	3	5
Mr Brian Selby	5	5
Mr Tom Wells	5	5
Cllr E Whitfield Stennett	3	5
Rev Joanne Calladine	4	5
Mr David Moore	2	5
Mr Simon Worsley		5
Ms Ann Meadowcroft		5

## Trinity Church of England High School

### Governance Statement (continued)

Mr Robert Palmer	5	5
Rev. Prof. Peter Scott (resigned 9 February 2016)	2	2

- 3 new governors have been appointed: 2 new parent governors appointed and 1 staff governor (re-elected)
- Challenges for the Board have included the management of a budget that is experiencing reductions in funding (Education Services Grant, Summer School grant funding, increased staffing costs, unfunded pay awards, minimum wage increase, increased employers pension and N.I. contributions. Our in-year surplus is supporting the annual budget.

#### Governance Reviews

- Outside scrutiny by the National Society Inspection, RAISE online and our own self-evaluation and governance.
- Financial Management & Governance Self-assessment on 20th September 2016
- Ongoing self-evaluation during 2016-17, according to governors' policy

## **Trinity Church of England High School**

### **Governance Statement (continued)**

**The finance committee is a sub-committee of the main board of trustees. Its purpose (as stated in our Scheme of Financial Delegation) is to:**

- Exercise the powers and duties of the Governing Body in respect of the financial administration of the Academy except for those items specifically reserved for the Governing Body and those delegated to the Head and other staff.
- Reporting on decisions taken under delegated powers to the next meeting of the Governing Body.
- To ensure that the academy operates within all appropriate Financial Regulations and to guide and assist the Head and the governing body in all financial matters.

#### **Budgets/Budgetary Control**

- Reviewing the annual Academy budget at the June meeting and recommending its acceptance, or otherwise, to the Governing Body.
- Considering budgetary control reports on the Academy's financial position at every meeting, taking appropriate action to contain expenditure within the budget and report to the Governing body.
- Reviewing the virement of sums between budget heads, subject to a limit of £5,000 as approved and authorized by the Head and Business Manager, which are to be formally notified to the Finance Committee who shall minute the notification.
- The Finance committee have reviewed and approved a number of policies including the Anti Fraud and Corruption Policy, Gifts and Hospitality Policy.

#### **Purchasing**

- Authorising the award of orders and contracts over £20,000 and up to £1 00,000.

#### **Insurances**

- Ensuring that arrangements for insurance are in place and adequate.

#### **Security of Assets**

- Ensuring that there are annual independent checks of assets and the asset register.
- Authorising the disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value of up to £5,000 and reporting such authorisations to the Governing Body.

#### **Personnel**

- Authorising permanent changes to the Academy's establishment.

#### **Accounts and Audit**

- Reviewing the draft financial statements and highlighting any significant issues to the Governing Body, prior to submission to the Secretary of State by 31 December.
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and control. These reports must also be reported to the Governing Body.

## Trinity Church of England High School

### Governance Statement (continued)

Attendance at meetings by the finance committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Ainsworth	5	5
Mr Ian Artus, Foundation governor and Diocesan Education Board governor	5	5
Mr Peter Hilton, Chair of Governors	5	5
Mrs Pamela Lord	4	5
Ms Ann Meadowcroft	3	5
Prof Olwen McNamara	3	5
Cllr Nigel Murphy	5	5
Mr Brian Selby	4	5

#### Review of value for money

As accounting officer the Head 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Evaluating staffing levels and re-defining roles when vacancies occur
- Employing "natural wastage" where appropriate
- Review of energy suppliers tariffs
- Maximising interest on bank balances
- Negotiated value added contracts (Music Service)
- Took up the EFA's Risk Protection Arrangement instead of L.A. Insurance
- Introducing the use of electronic document storage

A more detailed Value for Money Statement is included in the annually reviewed Scheme of Financial Delegation.

#### 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 in Trinity Church of England High School for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## Trinity Church of England High School

### Governance Statement (continued)

#### Capacity to handle risk

The board of trustees 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 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 have been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

There were no material control or other issues reported to date.

#### 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 an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;

- regular reviews by the finance and general purpose committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

- setting targets to measure financial and other performance;

- clearly defined purchasing (asset purchase or capital investment) guidelines;

- delegation of authority and segregation of duties;

- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- The trustees have appointed Ms Pam Lord, a trustee as responsible officer (RO); and

- to appoint Halliday's the external auditors, to perform additional checks which are carried out mid-year and at year end. These include personnel records, purchase systems, bank controls and reconciliations and payroll processes.

- Additionally an independent financial consultant from HCSS Education Ltd makes regular visits to review the academy budget with the Business Manager.

The RO and external auditor's role includes giving advice on the financial matters and performing a range of checks on the academy's financial systems. At each of the full Governing Body meetings the RO reports to the Board of Trustees, through the Finance Committee, on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Academy Trust confirms that the RO has delivered their schedule of work as planned and substantial assurance of internal controls for the financial year 2015/16 have been confirmed by Halliday's Accountants.

#### Review of effectiveness

The Head, as Accounting Officer, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- Regular scrutiny of financial and other performance monitoring data

- Regular reports from the senior management team to the governing body

- The most recent report from the school's external auditors

- The most recent self-evaluation of the internal controls

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance committees and a plan to address weaknesses (if relevant) and ensure continuous improvement of the system is in place.

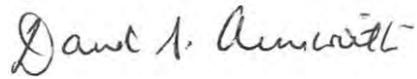
**Trinity Church of England High School**

**Governance Statement (continued)**

Approved by order of the members of the board of trustees on 1 December 2016 and signed on its behalf by:



Mr Peter Hilton  
Chair of Governors



David Ainsworth  
Head & Accounting Officer

## **Trinity Church of England High School**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Trinity Church of England High School I have considered my responsibility to notify the Academy Trust 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 Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust 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 2015.

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

David S Ainsworth  
Accounting officer

----- WTM6.

## Trinity Church of England High School

### Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 1 December 2016 and signed on its behalf by:

Mr Peter Hilton  
Trustee


Trustee

## Trinity Church of England High School

### Independent Auditor's Report on the Financial Statements to the Members of Trinity Church of England High School

We have audited the financial statements of Trinity Church of England High School for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 22), the trustees (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 (APB'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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

#### Opinion on other matter prescribed by the Companies Act 2006

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

#### 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:

Trinity Church of England High School

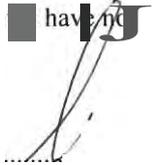
Independent Auditor's Report on the Financial Statements to the Members of Trinity  
Church of England High School (continued)

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 trustees' remuneration specified by law are not made; or

have not been made.



Anna Bennett (Senior Statutory Auditor)  
For and on behalf of Hallidays, Statutory Auditor

Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
SK4 2HD

Date: 20/11/2011

## Trinity Church of England High School

### Independent Reporting Accountant's Report on Regularity to Trinity Church of England High School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 17 December 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Trinity Church of England High School during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 January 2012 and the Academies Financial Handbook extant from 1 September 2015 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. 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 year from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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.

The work undertaken to draw to our conclusion includes:

We have confirmed that the activities conform to the academy's framework of authorities. As identified by review of minutes, management accounts, discussion with accounting officer and other key management personnel.

We have carried out an analytical review as part of the consideration of whether general activities of the Academy are within the Academy's framework of authorities.

We have considered the evidence supporting in the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy and extended the procedures required for the financial statements to include regularity.

## Trinity Church of England High School

### Independent Reporting Accountant's Report on Regularity to Trinity Church of England High School and the Education Funding Agency (continued)

- We have assessed and tested a sample of specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible with the academy's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy's delegated authorities and that the internal delegations have been approved by the governing body and conform to the limits set by the Department of Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding with the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy's charitable objects.

#### 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 year from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Hallidays, Chartered Accountants

Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
SK4 2HD

Date... 0 \ 11 / 16 .....

Trinity Church of England High School

Statement of Financial Activities for the Year Ended 31 August 2016  
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	Total 2016 £
<b>Income and endowments from :</b>						
Donations and capital grants	2	3,776	-	-	205,805	209,581
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	7,529,948	-	-	7,529,948
Other trading activities	4	299,602	184,174	-	-	483,776
Investments	5	9,926	-	-	-	9,926
<b>Total</b>		<b>313,304</b>	<b>7,714,122</b>	<b>-</b>	<b>205,805</b>	<b>8,233,231</b>
<b>Expenditure on:</b>						
Raising funds	6	54,193	163,761	-	-	217,954
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	7,381,079	124,000	345,982	7,851,061
<b>Total</b>		<b>54,193</b>	<b>7,544,840</b>	<b>124,000</b>	<b>345,982</b>	<b>8,069,015</b>
Net income/(expenditure)		259,111	169,282	(124,000)	(140,177)	164,216
Transfers between funds		-	(453,042)	-	453,042	
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	25	-	-	(1,170,000)	-	(1,170,000)
Net movement in funds/(deficit)		259,111	(283,760)	(1,294,000)	312,865	(1,005,784)

Trinity Church of England High School

Statement of Financial Activities for the Year Ended 31 August 2016  
(including Income and Expenditure Account) (continued)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2015		<u>608,843</u>	<u>838,115</u>	<u>(1,122,000)</u>	<u>22,259,421</u>	<u>22,584,379</u>
Total funds/(deficit) carried forward at 31 August 2016		867,954	554,355	<u>(2,416,000)</u>	<u>22,572,286</u>	<u>21,578,595</u>

Trinity Church of England High School

Statement of Financial Activities for the Year Ended 31 August 2015  
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Fund £	Restricted Fixed Asset Funds £	Total 2015 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	2,038	-	-	1,719,765	1,721,803
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	7,622,979	-	-	7,622,979
Other trading activities	4	265,465	139,753	-	-	405,218
Investments	5	8,639	-	-	-	8,639
<b>Total</b>		<b>276,142</b>	<b>7,762,732</b>	<b>-</b>	<b>1,719,765</b>	<b>9,758,639</b>
<b>Expenditure on:</b>						
Raising funds	6	45,612	97,588	-	-	143,200
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	7,156,505	129,000	335,662	7,621,167
<b>Total</b>		<b>45,612</b>	<b>7,254,093</b>	<b>129,000</b>	<b>335,662</b>	<b>7,764,367</b>
Net income/(expenditure)		230,530	508,639	(129,000)	1,384,103	1,994,272
Transfers between funds		-	(589,663)	-	589,663	
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	25	-	-	(94,000)	-	(94,000)
Net movement in funds/(deficit)		230,530	(81,024)	(223,000)	1,973,766	1,900,272

Trinity Church of England High School

Statement of Financial Activities for the Year Ended 31 August 2015  
(including Income and Expenditure Account) (continued)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Fund £	Restricted Fixed Asset Funds £	Total 2015 £
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2014		<u>378,313</u>	<u>919,139</u>	<u>(899,000)</u>	<u>20,285,655</u>	<u>20,684,107</u>
Total funds/(deficit) carried forward at 31 August 2015		<u>608,843</u>	<u>838,115</u>	<u>(1,122,000)</u>	<u>22,259,421</u>	<u>22,584,379</u>

Trinity Church of England High School

(Registration number: 07878966)  
Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	22,572,286	22,259,421
Investments	12	<u>1</u>	<u>1</u>
		<u>22,572,287</u>	<u>22,259,422</u>
<b>Current assets</b>			
Stocks	13	18,668	24,522
Debtors	14	140,788	138,687
Cash at bank and in hand		<u>1,472,150</u>	<u>2,162,337</u>
		1,631,606	2,325,546
Creditors: Amounts falling due within one year	15	<u>(209,298)</u>	<u>(878,589)</u>
Net current assets		<u>1,422,308</u>	<u>1,446,957</u>
Total assets less current liabilities		<u>23,994,595</u>	<u>23,706,379</u>
Net assets excluding pension liability		23,994,595	23,706,379
Pension scheme liability	25	<u>(2,416,000)</u>	<u>(1,122,000)</u>
Net assets including pension liability		<u>21,578,595</u>	<u>22,584,379</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund	16	554,355	838,115
Restricted fixed asset fund	16	22,572,286	22,259,421
Restricted pension fund	16	<u>(2,416,000)</u>	<u>(1,122,000)</u>
		20,710,641	21,975,536
<b>Unrestricted funds</b>			
Unrestricted general fund	16	<u>867,954</u>	<u>608,843</u>
Total funds		<u>21,578,595</u>	<u>22,584,379</u>

The financial statements on pages 27 to 51 were approved by the Trustees, and authorised for issue on December 2016 and signed on their behalf by:

Mr Peter Hilton  
Chair of Governors

## Trinity Church of England High School

### Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(247,072)	1,393,293
Cash flows from investing activities	21	(443,115)	<u>(581,026)</u>
Change in cash and cash equivalents in the year		(690,187)	812,267
Cash and cash equivalents at 1 September		2,162,337	<u>1,350,070</u>
Cash and cash equivalents at 31 August	22	<u>1,472,150</u>	<u>2,162,337</u>

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016

#### Accounting policies

##### Statement of 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.

##### Basis of preparation

The financial statements 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 Annual Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Trinity Church of England High School meets the definition of a public benefit entity under FRS 102.

##### Going concern

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

##### Income

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*

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

##### *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.

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### Accounting policies (continued)

##### *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 goods, facilities and services*

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

##### *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 allocated on the portion of the asset's use.

##### *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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### Accounting policies (continued)

##### Tangible fixed assets

Assets costing £500 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Asset class	Leasehold	Depreciation method and rate
Buildings	Computer	125 years straight line basis
Equipment	Fixtures and Fittings	33.3% straight line basis
Tenants	Improvements	10% straight line basis

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

##### Liabilities

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

##### Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### Leased assets

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

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### Accounting policies (continued)

##### Investments

The Academy's shareholding in the wholly owned subsidiary, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

##### Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

##### 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, the Academy 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.

##### Pension benefits

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. As stated in the notes to the financial statements, 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.

##### Fund accounting

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

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

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

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### Accounting policies (continued)

##### Critical accounting estimates and areas of judgement

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

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### First time adoption of FRS 102

These financial statements are the first financial statements of Trinity Church of England High School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Trinity Church of England High School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('U K GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'transition to FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

## 2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Capital grants		205,805	205,805	1,719,765
Appeals and donations	3,776		3,776	2,038
	3,776	205,805	209,581	1,721,803

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	6,867,887	6,867,887	6,831,359
Other DfE/EFA Grants	565,050	565,050	681,863
	7,432,937	7,432,937	7,513,222
<b>Other government grants</b>			
Local Authority Grants	97,011	97,011	106,507
<b>Non-government grants and other income</b>			
Non-Government Grants			3,250
			3,250
<b>Total grants</b>	7,529,948	7,529,948	7,622,979

#### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	200		200	
Catering income	206,932		206,932	187,559
School shop sales	42,985		42,985	38,906
Recharges and reimbursements	45,305	38,283	83,588	60,880
Income covenanted from Subsidiary		17,250	17,250	31,250
Trips		117,340	117,340	64,855
Events	4,180		4,180	4,800
Other income		11,301	11,301	16,968
	299,602	184,174	483,776	405,218

#### 5 Investment income

	Unrestricted funds £	Total 2016 £	Total 2015 £
Bank interest	9,926	9,926	8,639
	9,926	9,926	8,639

Trinity Church of England High School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

6 Expenditure

	Non Pay Expenditure			Total	Total
	Staff costs £	Premises £	Other costs £	2016 £	2015 £
Expenditure on raising funds			217,954	217,954	143,200
Academy's educational operations					
Direct costs	5,052,747		915,515	5,968,262	5,841,836
Allocated support costs	<u>946,311</u>	<u>704,092</u>	<u>232,396</u>	<u>1,882,799</u>	<u>1,779,331</u>
	5,999,058	<u>704,092</u>	<u>1,365,865</u>	8,069,015	7,764,367

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Operating leases - other leases	19,388	14,671
Fees payable to auditor- audit	9,000	9,000
-other audit services	5,250	4,000
Depreciation	<u>345,982</u>	<u>335,662</u>

7 Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	5,968,262	5,841,836
Support costs - educational operations	<u>1,882,799</u>	<u>1,779,331</u>
	<u>7,851,061</u>	7,621,167

	Educational operations £	Total 2016 £	Total 2015 £
Analysis of support costs			
Support staff costs	946,311	946,311	891,631
Depreciation	345,982	345,982	335,662
Premises costs	358,110	358,110	342,226
Other support costs	217,546	217,546	195,862
Governance costs	<u>14,850</u>	<u>14,850</u>	<u>13,950</u>
Total support costs	<u>1,882,799</u>	<u>1,882,799</u>	<u>1,779,331</u>

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 8 Staff

##### Staff costs

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	4,632,761	4,632,510
Social security costs	395,819	350,225
Pension costs	831,587	766,872
	5,860,167	5,749,607
Supply teacher costs	138,891	79,981
	5,999,058	5,829,588

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	2016 No	2015 No
Charitable Activities		
Teachers	80	80
Administration and support	77	80
Management	11	11
	168	171

The number of employees whose emoluments fell within the following bands was:

	2016 No	2015 No
£70,001 - £80,000	3	3
£100,001-£110,000		
£110,001-£120,000		

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) received by key management personnel for their services to the Academy Trust was £966,378 (2015: £936,270).

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 9 Related party transactions- trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mr David Ainsworth (Head):

Remuneration: £110,000-£115,000 (2015- £105,000- £110,000)

Employer's pension contributions: £5,000- £10,000 (2015 - £15,000- £20,000)

Mr Tom Wells (Staff Trustee):

Remuneration: £40,000 - £45,000 (2015 - £40,000- £45,000)

Employer's pension contributions: £5,000- £10,000 (2015- £5,000- £10,000)

Mr David Moore (Staff Trustee):

Remuneration: £20,000 - £25,000 (2015 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2015 - £0 - £5,000)

Mr Simon Worsley (Staff Trustee):

Remuneration: £20,000- £25,000 (2015- £20,000 - £25,000)

Employer's pension contributions: £0- £5,000 (2015 - £0 - £5,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £279 (2015 - £102) were reimbursed or paid directly to trustees (2015 - 1).

Other related party transactions involving the trustees are set out in note 26.

#### 10 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 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.

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Tenants improvements £	Total £
<b>Cost</b>					
At 1 September 2015	22,009,105	631,504	715,318	150,263	23,506,190
Additions	541,973	70,606	46,267		658,846
At 31 August 2016	<u>22,551,078</u>	<u>702,110</u>	<u>761,585</u>	<u>150,263</u>	<u>24,165,036</u>
<b>Depreciation</b>					
At 1 September 2015	524,841	195,999	476,032	49,897	1,246,769
Charge for the year	143,138	68,049	119,768	15,026	345,981
At 31 August 2016	<u>667,979</u>	<u>264,048</u>	<u>595,800</u>	<u>64,923</u>	<u>1,592,750</u>
<b>Net book value</b>					
At 31 August 2016	21,883,099	438,062	165,785	85,340	22,572,286
At 31 August 2015	<u>21,484,264</u>	<u>435,505</u>	<u>239,286</u>	<u>100,366</u>	<u>22,259,421</u>

Included within Leasehold land and buildings above are £2,754,316 of assets in the course of construction as at 31st August 2016. No depreciation has been charged on these assets in accordance with the Academy's accounting policy.

#### 12 Investments

	Investment £
<b>Fair value</b>	
At 1 September 2015	_____
<b>Provision</b>	
At 31 August 2016	_____
<b>Net book value</b>	
At 31 August 2016	_____

The Academy owns 100% of the Ordinary shares of Trinity Sports Services Limited, a company incorporated in United Kingdom. The principal activity of the company is the provision of sports facilities. Turnover for the year ended 31 August 2016 was £210,676, expenditure was £209,183 and the profit/(loss) for the year was £1,547. The assets of the company at 31 August 2016 were £83,599, liabilities were £62,031 and capital and reserves were £21,568.

The accounts present information about the academy trust as an individual undertaking and not as a group.

Trinity Church of England High School

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

13 Stock

	2016 £	2015 £
Stocks	<u>18,668</u>	<u>24,522</u>

14 Debtors

	2016 £	2015 £
Trade debtors	4,660	11,053
Trinity Sports Services Limited Inter-Company	17,250	31,250
VAT recoverable	72,292	29,634
Other debtors	7,188	4,744
Prepayments and accrued income	39,398	<u>62,006</u>
	<u>140,788</u>	<u>138,687</u>

IS Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	67,518	503,052
Accruals	59,274	356,345
Deferred income	82,506	<u>19,192</u>
	<u>209,298</u>	<u>878,589</u>

	2016 £
Deferred income	
Deferred income at 1 September 2015	19,192
Resources deferred in the period	82,506
Amounts released from previous periods	<u>(19,192)</u>
Deferred income at 31 August 2016	<u>82,506</u>

Deferred income relates to EFA rates relief, music grants and Erasmus grants received in advance of 2016/17.

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 16 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	838,115	6,867,887	(6,698,605)	(453,042)	554,355
Other DfE/EFA grants		565,050	(565,050)		
Other government grants/income		97,011	(97,011)		
Other income		184,174	(184,174)		
	<u>838,115</u>	<u>7,714,122</u>	<u>(7,544,840)</u>	<u>(453,042)</u>	<u>554,355</u>
<b>Restricted fixed asset funds</b>					
Capital expenditure from GAG	163,056		(202,844)	453,042	413,254
DfE/EFA capital grants	21,977,199	205,805	(143,138)		22,039,866
6th Form Donation	119,166				119,166
	<u>22,259,421</u>	<u>205,805</u>	<u>(345,982)</u>	<u>453,042</u>	<u>22,572,286</u>
<b>Restricted pension funds</b>					
Restricted pension fund	<u>(1,122,000)</u>		<u>(124,000)</u>	<u>(1,170,000)</u>	<u>(2,416,000)</u>
Total restricted funds	21,975,536	7,919,927	(8,014,822)	(1,170,000)	20,710,641
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>608,843</u>	<u>313,304</u>	<u>(54,193)</u>		<u>867,954</u>
Total funds	<u>22,584,379</u>	<u>8,233,231</u>	<u>(8,069,015)</u>	<u>(1,170,000)</u>	<u>21,578,595</u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the Academy.

Restricted fixed assets funds are those funds relating to the long term assets of the Academy used in delivering the objects of the Academy.

Unrestricted funds are funds which the Trustees may use in the pursuance of the Academy's objectives and are expendable at the discretion of the Trustees.

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			22,572,286	22,572,286
Investments Cu		1		
Current assets	867,954	763,652		1,631,606
Current liabilities		(209,298)		(209,298)
Pension scheme liability		(2,416,000)		(2,416,000)
<b>Total net assets</b>	<b>867,954</b>	<b>(1,861,645)</b>	<b>22,572,286</b>	<b>21,578,595</b>

#### 18 Capital commitments

	2016 £	2015 £
Contracted for, but not provided in the financial statements	-	802,503

#### 19 Financial commitments

##### *Operating leases*

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	19,388	19,388
Amounts due between one and five years	4,847	24,235
	<b>24,235</b>	<b>43,623</b>

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2016	2015
	£	£
Net income	164,216	1,994,272
Depreciation	345,981	335,663
Donated capital and capital grants	(205,805)	(1,719,765)
Interest receivable	(9,926)	(8,639)
FRS 102 interest on defined benefit pension scheme	43,000	35,000
FRS 102 service cost adjustment	81,000	94,000
Decrease in stocks	5,854	4,943
(Increase)/decrease in debtors	(2,101)	7,232
(Decrease)/increase in creditors	(669,291)	650,587
	(247,072)	1,393,293
Net cash (outflow)/inflow from operating activities	(247,072)	1,393,293

#### 21 Cash flows from investing activities

	2016	2015
	£	£
Dividends, interest and rents from investments	9,926	8,639
Purchase of tangible fixed assets	(658,846)	(2,309,430)
Capital funding received from sponsors and others	205,805	1,719,765
	(443,115)	(581,026)
Net cash used in investing activities	(443,115)	(581,026)

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 22 Analysis of changes in net funds

	At 31 August 2016 £	At 31 August 2015 £
Cash at bank and in hand	<u>1,472,150</u>	<u>2,162,337</u>
Total cash and cash equivalents	<u>1,472,150</u>	<u>2,162,337</u>

#### 23 Contingent liabilities

During the life of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:-

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

#### 24 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 become a member.

#### 25 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 Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 25 Pension and similar obligations (continued)

##### Teachers' Pension Scheme

###### Introduction

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

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

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

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £539,290 (2015: £467,950).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a 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.

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 25 Pension and similar obligations (continued)

##### Local government pension scheme

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 2016 was £280,000 (2015 - £276,000), of which employer's contributions totalled £210,000 (2015 - £205,000) and employees' contributions totalled £70,000 (2015 - £71,000). The agreed contribution rates for future years are 19.1% for employers and banded from 5.5 to 12.5% for employees.

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

##### Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	3.40	3.80
Rate of increase for pensions in payment/inflation	2.10	2.60
Discount rate for scheme liabilities	2.00	3.70

##### Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

Adjustment to discount rate	+ 0.5 £	-0.5 £
Present value of total obligation	801,000	
Adjustment to pension rate		+0.5 £
Present value of total obligation		430,000
Adjustment to rate of salary growth		+ 0.5 £
Present value of total obligation		341,000
Adjustment to mortality age rating assumption		+ 1 Year £
Present value of total obligation		171,000

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

	At 31 August 2016	At 31 August 2015
Retiring today Males		
retiring today Females	21.40	21.40
retiring today	24.00	24.00
Retiring in 20 years Males		
retiring in 20 years Females	24.00	24.00
retiring in 20 years	26.60	26.60

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 25 Pension and similar obligations (continued)

The academy's share of the assets and liabilities in the scheme were:

	At 31 August 2016 £	At 31 August 2015 £
Equities	2,376,000	1,899,000
Government bonds	561,000	475,000
Property	190,000	158,000
Cash	165,000	<u>105,000</u>
Total market value of assets	3,292,000	<u>2,637,000</u>
Surplus in the scheme	3,292,000	<u>2,637,000</u>

The actual return on scheme assets was £100,000 (2015- £106,000).

#### Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost	<u>291,000</u>	<u>299,000</u>
Total operating charge	<u>291,000</u>	<u>299,000</u>

Changes in the present value of defined benefit obligations were as follows:

	2016 £	2015 £
At 1 September	3,759,000	4,072,000
Current service cost	291,000	299,000
Interest cost	143,000	141,000
Employee contributions	70,000	71,000
Actuarial losses	1,613,000	54,000
Benefits paid	(160,000)	<u>(878,000)</u>
At 31 August	5,716,000	<u>3,759,000</u>

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

	2016 £	2015 £
At 1 September	2,637,000	3,173,000
Interest income	100,000	159,000
Actuarial gains/(losses)	443,000	(93,000)
Employer contributions	210,000	205,000
Employee contributions	70,000	71,000
Benefits paid	(160,000)	<u>(878,000)</u>
At 31 August	<u>3,300,000</u>	<u>2,637,000</u>

## Trinity Church of England High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 26 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.

#### 27 Transition to FRS 102

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

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

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

#### Reconciliation of net income/(expenditure)

	Note	Amount £
Net income/(expenditure) previously reported under UK GAAP		560,026
Change in recognition of LGPS interest cost		<u>53,000</u>
Net movement in funds reported under FRS 102		<u>613,026</u>

#### Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to debit the income/expense by £53,000 and decrease the debit in other recognised gains and losses in the SOFA by an equivalent amount.

#### Change in classification of capital grants

Under previous UK GAAP capital grants from the EFA were recognised under "Funding for the Academy's educational operations" in the SOFA. Under FRS 102 these are included under "Donations and capital grants". There has been no change in the funds brought forward.

