

**Holy Trinity CE Primary Academy (Handsworth)**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements  
Year ended 31 August 2018**

Company Registration Number  
08612065 (England and Wales)

**Feltons  
Chartered Accountants**

**Birmingham  
B1 3JR**

**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Report and Financial Statements**  
**Year ended 31 August 2018**

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## Reference and Administrative Details

Members	Diocesan Board of Education Diocesan Board of Finance Mr. D. Willey - Chair of Facilities & FGB Mr. G. Winfield Mr. M. Wingrove
Trustees	Mrs. E. Bennett (resigned 5 <sup>th</sup> February 2018) – Staff Trustee Mrs. H. Cross Mrs. P.L. Burns – Accounting Officer Mrs. J. Hutchinson – Staff Trustee Mrs. A. Kaur – Staff Trustee Mrs. M. Kisule (resigned 9 <sup>th</sup> July 2018) – Parent Trustee Mrs. J. Page – Staff Trustee Rev. E. Pitts Mrs. L. Street Ms. S. Walker – Parent Trustee Mr. D. Willey – Chair of Facilities & Chair of FGB Mr. G. L. Winfield Mr. J. Oki – Chair of FSA Committee Mr. J Burke (appointed 5 <sup>th</sup> February 2018) – Staff Trustee
Company secretary	Not appointed
Senior management team	
• Head Teacher	Mrs. P.L. Burns
• Deputy Head	Mrs. J. Page
• School Bursar	Mrs A. Kaur
Company name	Holy Trinity CE Primary Academy (Handsworth)
Principal and registered office	Holy Trinity CE Primary Academy (Handsworth) Havelock Road Birmingham B20 3LP
Company registration number	08612065
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank Colmore Row Branch 8 Graham Street Birmingham B1 3JR
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

# **Holy Trinity CE Primary Academy (Handsworth)** **(A Company Limited by Guarantee)**

## **Trustees' report**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Handsworth. It has a pupil capacity of 236 and had a roll of 185 in the school census on October 2018.

## **Structure, Governance and Management**

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Holy Trinity CE Primary Academy (Handsworth) are also the directors of the charitable company for the purposes of company law. The charitable company operates as Holy Trinity CE Primary Academy (Handsworth).

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

### **Members' liability**

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

### **Trustees' indemnities**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £ 10,000,000 on any one claim.

### **Method of recruitment and appointment or election of Trustees**

Parent trustees are elected by the parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the academy.

Staff Trustees are elected by employees of the academy trust.

The above selection procedures are adhered to when a vacancy arises. The procedure adopted is in line with Birmingham City Council Guidance for Head Teachers on holding parent governor elections in schools.



## **Trustees' report (continued)**

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

The board of trustees has a service level agreement with the trustee support department of Birmingham School and Governor Support to provide training, advice and support to the board of trustees.

Newly elected trustees attend induction training for new trustees, and in addition select specific training provided by trustee support in accordance with their needs.

One of the trustees is appointed as link trustee, attends relevant training and provides information to trustees following such training.

The deputy head teacher/vice principal is the leader for professional development in school, and he/she ensures that trustees are provided with opportunities to receive training in accordance with their role, and the school's training plan.

### **Organisational structure**

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance Staffing and Audit
- Facilities
- Curriculum and Community
- Achieving Standards and Improvement
- Head Teacher Performance Management
- Appeals (formed as required)
- Staff and Pupil Discipline (formed as required)

The written terms of reference of the committees include the monitoring of the preparation and management of the academy's budget and implementation of the academy's financial management policies, including risk assessment.

The board of trustees also appoints a Responsible Officer as part of its Consultancy Agreement with DRB Schools and Academies Limited. This role has been fully implemented in accordance with the academy trust's financial procedures.

Decisions relating to the appointment of the Head Teacher, Deputy Head Teacher and Bursar as well as their Appraisal, financial decisions over £15,000, the approval of statutory policies, the delegation of authorities and the Admissions criteria are reserved for the board of trustees. Those responsibilities delegated to management include staff appointments, financial decisions within delegated limits, delivery of the curriculum, maintenance of the infrastructure, health and safety of pupils, staff and visitors and other activities required to ensure the education of the pupils.

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

In line with Teachers Pay and Conditions 2018. Performance Management of all staff is carried out on an Annual basis. Members of the Senior Leadership Team, Head Teacher and Deputy Head Teacher are Performance Managed by external School Improvement Provider alongside a panel of three Governors. All decisions in relation to pay progression are taken to Finance Staffing and Audit Committee and approved by the Full Governing Board.

### **Related parties and other Connected Charities and Organisations**

The trust has no related parties or other connected charities or organisations.

## **Trustees' report (continued)**

### **Objectives and activities**

#### **Objects and aims**

The strategic goal of Holy Trinity CE Primary Academy (Handsworth) is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the academy trust and the Department for Education.

The school aims to maintain and improve upon its good status through:

- Improving standards in teaching and learning of the core curriculum to raise attainment in English and Mathematics
- Improve the quality of teaching by continuously developing a broad based curriculum to meet the needs of the pupils.
- Ensuring that children are learning in a safe, secure environment, supporting their personal, social, health, emotional and spiritual needs.
- Improving leadership as the driver of quality first teaching and learning.

Details as to how these aims are achieved are in the School Development Plan 2017-2018.

#### **Objectives, strategies and activities**

The main objectives for the year are:

- To develop consistency in the quality of teaching and learning across the school.
- To embed the leadership tem in order to become more effective to drive the school forward.
- Improve outcomes at the end of each Key Stage.

The strategies adopted for achieving these objectives are:

- Working closely with Birmingham Diocese to support teaching and learning and develop middle leaders.
- Key staff will attend Birmingham Diocese Network Meetings.
- Middle leaders will develop clear action plans for improvements in their subject areas in order to improve outcomes at the end of each Key Stage.

#### **Public benefit**

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at [www.gov.uk/topic/running-charity/managing-charity](http://www.gov.uk/topic/running-charity/managing-charity) in exercising their powers or duties.

Holy Trinity CE Primary Academy (Handsworth) is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

### **Strategic Report**

#### **Achievements and Performance**

The Academy is in its fourth year of operation since conversion in December 2013.

The Academy is committed to continual improvement which is achieved in a number of ways, including school improvement planning, review meetings, continual professional development, lesson observations, work monitoring, performance management, self-evaluation, data analysis and action planning.



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**Trustees' report (continued)**

The particular achievements and performance of the Academy during the period ending August 31<sup>st</sup> 2018 were as follows:

- Reading results have improved at the end of Key Stage 2.
- Spelling, Punctuation and Grammar (SPaG) results have improved at the end of Key Stage 2.
- The number of children who have reached the expected level combined in Reading, Writing and Maths have improved, but are still below national.
- All core subjects continue to be a priority during the academic year 2018-2019.

**Outcomes for year ended 31<sup>st</sup> August 2018**

EYFS GLD	National 2018
67%	71.5%

Phonics Year 1	National 2018
79%	82%

**KS1 Year 2 Teacher Assessments**

Subject	Expected	National 2018
Reading	48%	75%
Writing	45%	70%
Maths	59%	76%

**Key Stage 2 Year 6 SATs Results**

Subject	Expected	National 2018
Reading	70% (73% TBC*)	75%
Writing	78% (81% TBC*)	78%
Maths	59% (62% TBC*)	76%
SPaG	85% (85% TBC*)	78%
Combined	56% (58% TBC*)	64%

\*Final outcomes will be confirmed in December 2018

**Achievements and Performance**

Holy Trinity CE Primary Academy (Handsworth) is a former Voluntary Aided (VA) church school whose ethos is still firmly rooted in the Christian faith but which strongly believes in a positive approach to welcoming all members of the multi-cultural, multi-racial and multi-faith community in which we are based, believing that it enriches the education we provide for our children.

### **Trustees' report (continued)**

The school is situated in the East Handsworth & Lozells Ward which has significantly high levels of social deprivation and children at all stages frequently come into school working at levels well below the national average. There are currently 32 different languages spoken among the children in school.

Pupil mobility varies from cohort to cohort.

#### **We aim to:**

- Provide a happy, secure and safe environment in which children can develop and achieve intellectually, emotionally, socially, physically and spiritually.
- Ensure that children feel valued and experience success.
- Equip the children with skills in English, Maths and Science.
- Provide an atmosphere which enables the children to have good self-esteem.
- Help children become independent, co-operative, confident, active and reflective learners.
- Foster in our children a caring thoughtful nature, leading them to become reliable, responsible members of society.
- Equip children to be able to take pride in and look after their surroundings.
- Help children to take responsibility, make choices and develop purpose for their lives.
- Develop children as individuals and members of society, to provide them with experiences that promote a love of learning and spiritual awareness.
- Broaden children's life experiences.
- Ensure equal opportunities for all.
- Encourage our children to have a positive cultural identity.
- Reflect the importance of the children's culture, language and special needs.
- Educate the children according to Christian principles, and raise awareness of the fundamentals of some of the world religions.
- Develop in the children a tolerant, respectful attitude towards others in the wider communities of Handsworth, Birmingham and the United Kingdom.

#### **Key Performance Indicators**

- Direct costs as a percentage of total costs were 61.9% (2017: 63.9%)
- Support costs as a percentage of total costs were 38.1% (2017: 36.1%)
- Total payroll costs as a percentage of recurring income were 75.9% (2017: 76.7%)

#### **Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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.

#### **Financial Review**

The financial results of Holy Trinity CE Primary Academy (Handsworth) are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Academy's Financial Handbook.



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**Trustees' report (continued)**

**Financial Review (continued)**

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2018 total resources expended were £1,408,655 and the excess of expenditure over income was £119,115 which included depreciation of £110,779.

**Reserves Policy**

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The academy had total funds at 31 August 2018 of £3,320,276 which included £117,817 restricted funds not available for general purposes of the academy trust, £6,705 of free reserves defined as unrestricted funds available for general purposes and £4,114,754 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus/deficit of £124,522.

In addition, the deficit on the restricted pension fund of £919,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

**Principal Risks and Uncertainties**

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

**Plans for Future Periods**

The school aims to maintain and improve upon its "requires improvement" status through:

- Providing consistency in the quality of teaching and learning across the school.
- Embedding the leadership team to ensure it is effective in driving forward improvements.
- Improving outcomes at the end of each key stage so that children's progress in core subject areas is at least good.

Details as to how these aims will be achieved are detailed in the School Development Plan 2018 -2019

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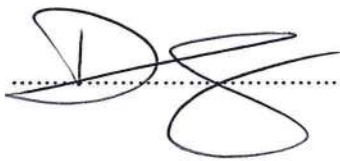
**Trustees' report (continued)**

**Auditor**

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2018 and signed on the board's behalf by:

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a series of loops and a long horizontal stroke.

..... Mr. D. Willey - Chair of Trustees

**Holy Trinity CE Primary Academy (Handsworth)**  
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**Governance statement**

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Holy Trinity CE Primary Academy (Handsworth) 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Holy Trinity CE Primary Academy (Handsworth) and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs. P. L. Burns Accounting Officer	6	6
Mr. J. Burke (appointed 5 <sup>th</sup> February 2018) – Staff Trustee	4	4
Mrs. E. Bennett (resigned 5 <sup>th</sup> February 2018) – Staff Trustee	2	2
Mrs. H. Cross	6	6
Mrs. J. Hutchinson - Staff Trustee	5	6
Mrs. A.Kaur – Staff Trustee	6	6
Mrs. M. Kisule (resigned 9 <sup>th</sup> July 2018) – Parent Trustee	5	6
Mr. J.Oki Chair of FSA Committee	6	6
Mrs. J. Page – Staff Trustee	5	6
Rev. E. Pitts	3	6
Mrs. L. Street	5	6
Ms. S Walker – Parent Trustee	5	6
Mr. D. Willey – Chair of Facilities & Chair of FGB	6	6
Mr. G. L. Winfield	5	6



**Governance statement (continued)**

A review of governance was undertaken on 12<sup>th</sup> and 13<sup>th</sup> October 2016 which found that:

**Strengths:**

- Edu base shows the makeup of the Governing Board
- The Governing Board has an appropriate number of Governors. Governors meet twice termly and the sub committees also generally meet twice termly
- The FGB meetings are minuted by a professional clerk and the minutes are clear and succinct and report on progress of any actions identified from the previous meeting
- There is good attendance at FGB meetings and absence is challenged
- The HT presents a detailed report to Governors at all FGB meetings and there is an opportunity for discussion and questioning and governors readily take up this opportunity
- The Governing Board discuss reports from external advisers
- There are 3 sub committees and the chairs of those committees report back on the outcomes of their meetings to the FGB
- Governors ask challenging questions. For example, they were concerned about the numbers of Year 6 pupils who were not projected to meet age related expectations and were anxious that the appropriate interventions were put into place in a timely manner
- Governors are the guardians of the vision for the school's development. They question and challenge the school about issues including equal opportunities and equalities
- The School Council has attended a FGB meeting and asked questions of the GB.
- Some Governors have attended Governor training and reported back on the key outcomes
- The Chair demonstrates a clear understanding of the role of the governing Board and ensures that he has in place a team of professional people who understand the difference between the strategic and the operational
- The Chair always ensures that the membership of the committees is maintained and there are governors who take on individual responsibilities such as for safeguarding and for SEND.
- The named safeguarding governor produces a comprehensive annual safeguarding report which is shared with all Governors and discussed at an FGB meeting.
- Statutory policies are reviewed by Governors, being presented at committee meetings first
- There is a clear pupil premium strategy on the web site which outlines the interventions in place and their impact, and the interventions that are planned.
- In committee meetings there is a high level of challenge of the information provided.
- Governors invite external agencies into committee meeting in order to gain more knowledge and understanding of important curriculum issues such as LGBT
- Governors visit the school and are knowledgeable about what goes on in school.
- The finance committee demonstrate a high level of understanding of financial processes and of the school's financial situation, and monitor the budget very carefully. They are given pertinent information and ask appropriate questions.
- A small but effective facilities committee has a good handle on any health and safety issues
- From the skills audit there are many very experienced governors who have all the skills necessary to be individually an effective governor
- There are no obvious gaps in skills and governors complement one another; there is in the governing board the skills to make up a very effective team
- Governors have been involved in developing the SIP
- Performance management of the HT is well organised
- Decisions about pay progression for staff are discussed and agreed by Governors
- Governors are further developing the website



**Governance statement (continued)**

Key areas for action:

- Ensure that key governors understand what they are monitoring, the questions to ask and where they are going to find the evidence and ensure that there is time for them to report back to FGB or to produce a short summary for Governors to have
- Ensure that the FGB has had a training session on RAISE online: not a summary but an opportunity for them to understand the data and for them to analyse and find the information for themselves
- Ensure that most governor visits are strategic, aligned to the priorities of the SIP and that governors understand the key questions to be answered by the visit and report back to the FGB on the visits
- Ensure all governors understand the various ways they can find their evidence to carry out their monitoring
- Consider the format, timings and content of the curriculum committee. To save time on policies governors could submit their comments in advance of the meeting to give way to a standing agenda item to interrogate the data. Consider aligning the meetings to follow the school pupil progress meetings so that the data governors need is recent and is ready
- Ensure that all governors are aware of the pupil premium strategy and that the impact of pupil premium spending is a standing agenda item on at least a committee agenda
- Ensure all governors are fully aware of the strengths and areas for development of the school, including the vulnerable groups
- Ensure there is a governor training plan which has been agreed by all governors
- Ensure governors are monitoring the impact of staff CPD: include it at least termly on a FGB meeting
- Ensure there is a mid-year review of the progress of performance management, to include a look at anonymised targets and a summary to check on the extent to which teachers are in line to achieve their targets or that they are being given the support they need to do so
- Governors may want to consider the best way forward for the school in the current climate and consider exploring opportunities for hard wired collaboration with other schools.

Subsequent to this the following actions were taken:

- Details and feedback on Governor Visits would be summarised on a Governor Feedback Form.
- Governors have already received Raise Online training from the Challenge Advisor.
- Governors agreed to a training plan.
- Any feedback from Governors on the policies or reports distributed prior to the sub-committee meeting be shared with the Chairwoman before the meeting.
- Each subcommittee has been restructured and a new committee introduced from September 2017 – Achievements, Standards and Improvement Committee.
- A Pupil Premium Strategy will be a standing item on the agenda of the Finance Staffing and Audit Committee. The Governing Board will receive a Pupil Premium report at the end of each term.
- Staff CPD – a training feedback will be provided.
- Future of the Academy – the creation of a MAT via the Diocese.

The trust intends to conduct its next self-evaluation/external review when the Governing Board considers is an appropriate time.

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**Governance statement (continued)**

The **Finance Staffing and Audit Committee** is a sub-committee of the main board of trustees. Its purpose is to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its enquiries. The Finance Staffing and Audit Committee is authorised to obtain independent professional advice if it considers this necessary. Specific duties are detailed in the Academy's Scheme of Delegation/Terms of Reference.

Trustee	Meetings attended	Out of a possible
Mrs. P.L. Burns – Accounting Officer	6	6
Mrs. A. Kaur – Staff Trustee	6	6
Mr. J. Oki – Chair of FSA Committee	5	6
Mrs. J. Page – Staff Trustee	6	6
Mr. G. Winfield	3	5

**Review of value for money**

The accounting officer of Holy Trinity CE Primary Academy (Handsworth) 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 academy 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:

**Robust governance and oversight of the Academy finances**

The Academy Trust's Directors are committed to ensuring that the governance of the Academy Trust's financial management is robust. The Directors and Trustees are fully aware of their responsibilities in ensuring that the Academy Trust's resources are managed effectively, to support the objectives in the Academy Trust's Development Plan, whilst considering the long term development of the Academy Trust. Directors, Governors, Senior Leadership Team and staff strive for the best possible outcomes, achieved at reasonable cost.

The Finance, Staffing and Audit Committee that was established when the school converted to an academy trust has clear terms of reference, including responsibility of providing assurance over the suitability of, and compliance with, financial systems and controls.

The Academy Trust has contracted with DRB Schools & Academies Ltd to provide financial consultancy and support to the Academy Trust. The Trustees have also taken advantage of the Responsible Officer Service provided as part of the consultancy agreement.

All Directors, Governors and staff involved in financial matters are required to complete a Declaration of Interests form annually. The opportunity to declare any direct or indirect interests is provided at all governors meetings.



**Governance statement (continued)**

Ensure that the Trust gains good value for money, effective and efficient use of resources

The Academy Trust takes prudent approach to expenditure. With approximately 85% of the Academy Trust Budget spent on staffing, staffing structures are reviewed annually to ensure that they are fit for purpose and can adapt and respond to support the successful attainment of the objectives within the Academy Trust development plan.

The Academy Trust has a high proportion of skilled and experienced teaching and support staff who are effectively deployed to provide best value. Teachers' performance management and support staff performance management systems are in place, and HR policies, such as Managing Absence and Whistleblowing and Pay Policies are implemented.

The Academy Trust's payroll is maintained by Birmingham City Council, and detailed monthly reconciliations of payroll are undertaken by the Chief Financial Officer to ensure that payments to staff are correct.

The Academy Trust's Internal Financial Regulations has defined responsibilities for each person involved in the Administration of the academy's finances to avoid the duplication or omissions of functions and to provide a Framework of accountability for Directors, governors and staff. A documented scheme of delegation ensures that contracts and services are regularly appraised and renegotiated at regular intervals to ensure value for money.

Individual budget holders are held accountable for the use of their budgets and are helped by the Chief Financial Officer in sourcing best value.

The Academy Trust has subscribed to the Procurement Service provided by Birmingham City Council. It has been possible to access an energy supply Framework at very competitive rates and a three year agreement to supply printing and copying services.

Purchases up to £5,000 should be chosen from approved suppliers. Three written quotations should be obtained for all purchases between £5,501 and £25,000 to ensure that an assessment of cost and benefits are duly considered. All purchases over £25,000 must be referred to the Finance Staffing and Audit committee for approval. Purchases over £75,000 are subject to formal tendering procedures.

The Academy Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential. Investment decisions are kept under regular review.

Assessing value for money

Holy Trinity CE Primary Academy (Handsworth) is committed to providing a high quality, inclusive education for all. Through regular assessment, we have a clear picture of the potential and progress of every student and provide support and extension work for those students who need it. Pupils that receive pupil premium are clearly identified and their individual performance reviewed to ensure that progress attainment is achieved. The continuation of Sports Premium has allowed for the introduction of new clubs such as football, netball and dance along with expansion of existing clubs. Activity days have been organised allowing pupils to sample new activities including climbing and archery. Sustainability comes through using these clubs and activities as vehicles for the staff to improve their own skills in teaching a wider range of sporting activities.

The Chief Financial Officer is responsible for the preparation of the academy's budget forecast and ensures that it complies with agreed policies and procedures, whilst challenging on spending decisions and of obtaining approval on expenditure over £25,000 in accordance with the scheme of delegation.

Departmental and curriculum allocations are allocated to specifically meet day to day needs, thus ensuring that significant expenditure remains within the control of senior management. Option appraisal is then the focus before any purchase proceeds.

Careful and prudent management of financial resources has ensured that the annual expenditure budget remains within the total income received in a year.



**Governance statement (continued)**

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the academy trust'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 Holy Trinity CE Primary Academy (Handsworth) for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has notes that Responsible Officer visits are included as part of DRB Schools & Academies consultancy arrangements. The RO's role includes giving advice on financial matters and performing a range of checks in the academy trust's financial systems. The RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

- purchases – review the procedure for purchases and select at least 5 payments for test purposes
- contracts – obtain a sample of contracts over £10,000 and review documentation and procedures followed
- review capital grant expenditure
- funding reconciliation – review receipts from ESFA and check amounts agree with the source documentation
- income – select receipts and ensure money is banked promptly and in full, ensure monies are recorded correctly in the accounting system
- testing of control accounts / bank reconciliations

**Governance statement (continued)**

**The Risk and Control Framework (continued)**

On a termly/quarterly basis, the consultant from DRB reports to the board of trustees, through the Finance Staffing and Audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The RO produces a termly report on internal controls which is then reviewed by the FSA committee, the summary report categorises the level of assurance around the Academy's level of control according to a colour grading system. The last review, May 2018 report, showed a high level of assurance in all areas reviewed and one medium level under purchases.

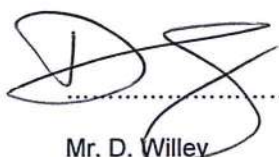
**Review of Effectiveness**

As accounting officer, Mrs. P.L. Burns (the Head Teacher) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer
- the work of the external auditor;
- the financial management and governance self-assessment process.
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.


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

Approved by order of the members of the board of trustees on 3 December 2018 and signed on its behalf by:



.....

Mr. D. Willey  
Chair of Trustees



.....

Mrs. P. L. Burns  
Accounting Officer



**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Statement of regularity, propriety and compliance**

As accounting officer of Holy Trinity CE Primary Academy (Handsworth) I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



..... Mrs. P. L. Burns – Accounting Officer

3 December 2018

## **Statement of Trustees' Responsibilities**

The trustees (who are also 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

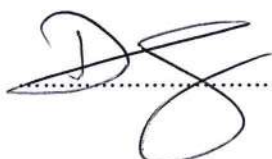
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 3 December 2018 and signed on its behalf by:



..... Mr. D. Willey – Chair of Trustees



**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of**  
**Holy Trinity CE Primary Academy (Handsworth)**

**Opinion**

We have audited the financial statements of Holy Trinity CE Primary Academy (Handsworth) for the period ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements :

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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



**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Holy Trinity CE Primary Academy (Handsworth)**  
**(continued)**

**Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Holy Trinity CE**  
**Primary Academy (Handsworth)**  
**(continued)**

**Responsibilities for the financial statements**

As explained more fully in the trustees' responsibilities statement (set out on page 17), the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.



**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Holy Trinity CE**  
**Primary Academy (Handsworth)**  
**(continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**David W Farnsworth FCA (Senior Statutory Auditor)**

For and on behalf of Feltons, Statutory Auditor  
8 Sovereign Court  
8 Graham Street  
Birmingham B1 3JR

10 December 2018



**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Holy Trinity CE Primary Academy (Handsworth) and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 25 March 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Holy Trinity CE Primary Academy (Handsworth) during the period 1 September 2017 to 31 August 2018 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 Holy Trinity CE Primary Academy (Handsworth) and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holy Trinity CE Primary Academy (Handsworth) and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Holy Trinity CE Primary Academy (Handsworth) and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Holy Trinity CE Primary Academy (Handsworth)'s accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Holy Trinity CE Primary Academy (Handsworth)'s funding agreement with the Secretary of State for Education dated 19 December 2012 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Holy Trinity CE Primary Academy (Handsworth) and the Education and Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**David W Farnsworth FCA (Reporting Accountant)**

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

10 December 2018



**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Statement of financial activities for the year ended 31 August 2018**  
**(including income and expenditure account)**

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
<b>Income from :</b>							
Donations and capital grants	2	5	-	-	6,459	6,464	55,426
Funding for the academy trust's educational operations	3	45,403	-	1,237,577	-	1,282,980	1,272,967
Investments	4	96	-	-	-	96	111
<b>Total</b>		<b>45,504</b>	<b>-</b>	<b>1,237,577</b>	<b>6,459</b>	<b>1,289,540</b>	<b>1,328,504</b>
<b>Expenditure on :</b>							
Charitable activities: Academy trust's educational operations	5	45,504	33,000	1,219,372	110,779	1,408,655	1,469,887
<b>Total</b>		<b>45,504</b>	<b>33,000</b>	<b>1,219,372</b>	<b>110,779</b>	<b>1,408,655</b>	<b>1,469,887</b>
<b>Net income/(expenditure) before transfers</b>		<b>-</b>	<b>(33,000)</b>	<b>18,205</b>	<b>(104,320)</b>	<b>(119,115)</b>	<b>(141,383)</b>
Transfers between funds	13	-	-	250	(250)	-	-
<b>Net income/(expenditure) after transfers</b>		<b>-</b>	<b>(33,000)</b>	<b>18,455</b>	<b>(104,570)</b>	<b>(119,115)</b>	<b>(141,383)</b>
<b>Other recognised gains/(losses)</b>							
Actuarial gains/(losses) on defined benefit pension schemes	13, 21	-	172,000	-	-	172,000	409,000
<b>Net movement in funds</b>		<b>-</b>	<b>139,000</b>	<b>18,455</b>	<b>(104,570)</b>	<b>52,885</b>	<b>267,617</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	13	6,705	(1,058,000)	99,362	4,219,324	3,267,391	2,999,774
<b>Total funds carried forward</b>		<b>6,705</b>	<b>(919,000)</b>	<b>117,817</b>	<b>4,114,754</b>	<b>3,320,276</b>	<b>3,267,391</b>

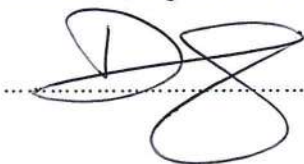
All of the Academy's activities derive from continuing operations during the above two financial periods.

**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Company number : 08612065**  
**Balance sheet as at 31 August 2018**

		2018		2017	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		4,113,756		4,219,324
<b>Current assets</b>					
Debtors	11	33,516		46,647	
Cash at bank and in hand		<u>137,963</u>		<u>136,446</u>	
		171,479		183,093	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	<u>45,959</u>		<u>77,026</u>	
<b>Net current assets</b>			125,520		106,067
<b>Net assets excluding pension liability</b>			<u>4,239,276</u>		<u>4,325,391</u>
Defined benefit pension scheme liability	21		<u>(919,000)</u>		<u>(1,058,000)</u>
<b>Total net assets</b>			<u><u>3,320,276</u></u>		<u><u>3,267,391</u></u>
<b>Funds of the academy trust :</b>					
<b>Restricted funds</b>					
Fixed asset fund	13	4,114,754		4,219,324	
General fund	13	117,817		99,362	
Pension reserve	13	<u>(919,000)</u>		<u>(1,058,000)</u>	
<b>Total restricted funds</b>			3,313,571		3,260,686
<b>Unrestricted income funds</b>	13		6,705		6,705
<b>Total funds</b>			<u><u>3,320,276</u></u>		<u><u>3,267,391</u></u>

The financial statements on pages 24 to 45 were approved by the trustees, and authorised for issue on 3 December 2018 and are signed on their behalf by:



Mr. D. Willey - Chair of Trustees



**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Statement of cash flows for the year ended 31 August 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	17	173	24,772
<b>Cash flows from investing activities</b>	18	1,344	(9,188)
<b>Change in cash and cash equivalents in the reporting period</b>		<hr/> 1,517	<hr/> 15,584
Cash and cash equivalents at 1 September 2017		136,446	120,862
<b>Cash and cash equivalents at 31 August 2018</b>	19	<hr/> 137,963	<hr/> 136,446

**Notes to the financial statements for the year ended 31 August 2018**

**1. 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 Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Holy Trinity CE Primary Academy (Handsworth) 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 trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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



Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Income (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. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, '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 trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**1. Statement of accounting policies (continued)**

**Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 10% straight line (previously 25% reducing balance)
Computer hardware	- 33% straight line

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

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.

**Leased assets**

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

**Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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



**Holy Trinity CE Primary Academy (Handsworth)**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**1. Statement of accounting policies (continued)**

**Financial instruments (continued)**

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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 trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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

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

**Holy Trinity CE Primary Academy (Handsworth)**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**1. Statement of accounting policies (continued)**

**Pension benefits (continued)**

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**Fund accounting**

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

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

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

**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.

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.



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Notes to the financial statements for the year ended 31 August 2018 (continued)

**2. Donations and capital grants**

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Capital grants	-	-	6,459	6,459	45,426
Other donations	5	-	-	5	10,000
	<u>5</u>	<u>-</u>	<u>6,459</u>	<u>6,464</u>	<u>55,426</u>
<b>2017 total</b>	<u>10,000</u>	<u>-</u>	<u>45,426</u>	<u>55,426</u>	

**3. Funding for the Academy Trust's educational operations**

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
<b>DfE/ESFA grants</b>					
General Annual Grant (GAG)	-	1,019,627	-	1,019,627	1,024,272
Other DfE Group grants	-	161,089	-	161,089	164,319
	<u>-</u>	<u>1,180,716</u>	<u>-</u>	<u>1,180,716</u>	<u>1,188,591</u>
<b>Other government grants</b>					
Local authority grants	-	56,861	-	56,861	49,990
	<u>-</u>	<u>56,861</u>	<u>-</u>	<u>56,861</u>	<u>49,990</u>
Other income from the academy trust's educational operations	45,403	-	-	45,403	34,386
	<u>45,403</u>	<u>56,861</u>	<u>-</u>	<u>102,264</u>	<u>84,376</u>
	<u>45,403</u>	<u>1,237,577</u>	<u>-</u>	<u>1,282,980</u>	<u>1,272,967</u>
<b>2017 total</b>	<u>34,386</u>	<u>1,238,581</u>	<u>-</u>	<u>1,272,967</u>	

**4. Investment income**

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	Total 2016/17 £
Short term deposits	96	-	96	111
<b>2017 total</b>	<u>111</u>	<u>-</u>	<u>111</u>	

**Holy Trinity CE Primary Academy (Handsworth)**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**5. Expenditure**

	Staff costs £	Non pay expenditure Premises £	Other £	Total 2017/18 £	Total 2016/17 £
Academy's educational operations					
Direct costs	773,621	35,841	62,311	871,773	929,913
Allocated support costs	205,411	136,169	195,302	536,882	539,974
	<u>979,032</u>	<u>172,010</u>	<u>257,613</u>	<u>1,408,655</u>	<u>1,469,887</u>
<b>2017 total</b>	<u>1,018,630</u>	<u>196,663</u>	<u>254,594</u>	<u>1,469,887</u>	

Net income/(expenditure) for the period includes :

		2017/18 £	2016/17 £
Operating leases	- plant and machinery	4,367	14,396
Depreciation		110,779	117,402
Fees payable to auditor	- audit	7,500	7,250
	- other services	<u>1,790</u>	<u>250</u>

**6. Charitable activities**

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2017/18 £	Total 2016/17 £
<b>Educational operations</b>					
Direct costs	10,055	-	861,718	871,773	929,913
Support costs	35,449	33,000	468,433	536,882	539,974
	<u>45,504</u>	<u>33,000</u>	<u>1,330,151</u>	<u>1,408,655</u>	<u>1,469,887</u>
<b>2017 total</b>	<u>44,497</u>	<u>58,000</u>	<u>1,367,390</u>	<u>1,469,887</u>	
<b>Analysis of support costs</b>					
Support staff costs	-	33,000	172,411	205,411	214,812
Depreciation	-	-	74,938	74,938	47,596
Technology costs	-	-	-	-	14,995
Premises costs	-	-	65,598	65,598	85,302
Other support costs	35,449	-	146,196	181,645	167,019
Governance costs	-	-	9,290	9,290	10,250
<b>Total support costs</b>	<u>35,449</u>	<u>33,000</u>	<u>468,433</u>	<u>536,882</u>	<u>539,974</u>
<b>2017 total</b>	<u>38,148</u>	<u>58,000</u>	<u>443,826</u>	<u>539,974</u>	



**Holy Trinity CE Primary Academy (Handsworth)**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**7. Staff**

**a) Staff costs**

Staff costs during the period were:

	<b>Total 2017/18 £</b>	<b>Total 2016/17 £</b>
Wages and salaries	650,771	701,389
Social security costs	52,448	62,674
Pension costs	188,865	213,137
	<u>892,084</u>	<u>977,200</u>
Agency staff costs	86,948	41,430
	<u>979,032</u>	<u>1,018,630</u>

**b) Staff numbers**

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

	<b>2017/18 Number</b>	<b>2016/17 Number</b>
Teachers	7	9
Administration and support	22	23
Management	5	5
	<u>34</u>	<u>37</u>

**c) Higher paid staff**

	<b>2017/18 Number</b>	<b>2016/17 Number</b>
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	<u>2</u>	<u>2</u>

**d) Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £254,852 (2017: £229,629).

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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**8. Related Party Transactions - Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from 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.

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

P Burns (principal and trustee)		
Remuneration	£65,000 - £70,000	(2017 : £65,000 - £70,000)
Employer's pension contributions paid	£10,000 - £15,000	(2017 : £10,000 - £15,000)
J Page (deputy head teacher and trustee)		
Remuneration	£60,000 - £65,000	(2017 : £60,000 - £65,000)
Employer's pension contributions paid	£10,000 - £15,000	(2017 : £10,000 - £15,000)
E Bennett (staff trustee resigned from 5/2/18)		
Remuneration	£5,000 - £10,000	(2017 : £20,000 - £25,000)
Employer's pension contributions paid	£0 - £5,000	(2017 : £nil - £5,000)
J Hutchinson (staff trustee)		
Remuneration	£20,000 - £25,000	(2017 : £15,000 - £20,000)
Employer's pension contributions paid	£0 - £5,000	(2017 : £0 - £5,000)
A Kaur (staff trustee)		
Remuneration	£15,000 - £20,000	(2017 : £10,000 - £15,000)
Employer's pension contributions paid	£0 - £5,000	(2017 : £0 - £5,000)
J Burke (staff trustee appointed from 5/2/18)		
Remuneration	£20,000 - £25,000	(2017 : £nil)
Employer's pension contributions paid	£5,000 - £10,000	(2017 : £nil)

During the year ended 31 August 2018, there were no (2017: no) travel and subsistence expenses reimbursed or paid directly to any trustees (2017: no trustees).

**9. 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.



**Holy Trinity CE Primary Academy (Handsworth)**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**10. Tangible fixed assets**

	<b>Leasehold land and buildings £</b>	<b>Fittings and equipment £</b>	<b>Computer hardware £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 September 2017	4,474,202	96,951	70,579	4,641,732
Additions	-	-	5,211	5,211
At 31 August 2018	<u>4,474,202</u>	<u>96,951</u>	<u>75,790</u>	<u>4,646,943</u>
<b>Depreciation</b>				
At 1 September 2017	328,788	44,107	49,513	422,408
Charge for the year	89,484	9,695	11,600	110,779
At 31 August 2018	<u>418,272</u>	<u>53,802</u>	<u>61,113</u>	<u>533,187</u>
<b>Net book values</b>				
At 31 August 2018	<u>4,055,930</u>	<u>43,149</u>	<u>14,677</u>	<u>4,113,756</u>
At 31 August 2017	<u>4,145,414</u>	<u>52,844</u>	<u>21,066</u>	<u>4,219,324</u>

Leasehold property was valued at 1 December 2013 by The Valuation Office Agency – DVS and the fittings and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2018 is represented by :

	<b>Leasehold land and buildings £</b>	<b>Fittings and equipment £</b>	<b>Computer hardware £</b>	<b>Total £</b>
Valuation in 2013	4,326,212	35,688	34,855	4,396,755
Cost	147,990	61,263	40,935	250,188
	<u>4,474,202</u>	<u>96,951</u>	<u>75,790</u>	<u>4,646,943</u>

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Notes to the financial statements for the year ended 31 August 2018 (continued)

11. Debtors

	Total 2018 £	Total 2017 £
VAT recoverable	-	11,576
Prepayments and accrued income	33,516	35,071
	<u>33,516</u>	<u>46,647</u>

12. Creditors

	Total 2018 £	Total 2017 £
<b>Amounts falling due within one year :</b>		
Accruals and deferred income	45,836	68,288
Other creditors	123	8,738
	<u>45,959</u>	<u>77,026</u>
<b>Deferred income</b>		
Deferred income at 1 September 2017	42,956	15,423
Resources deferred in the year	19,013	42,956
Amounts released from previous years	(42,956)	(15,423)
Deferred income at 31 August 2018	<u>19,013</u>	<u>42,956</u>

At the balance sheet date the academy trust was holding funds received in advance from The Education and Skills Funding Agency for universal infant free school meals.

13. Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	99,362	1,019,627	(1,001,422)	250	117,817
Pupil Premium	-	161,089	(161,089)	-	-
Other grants	-	56,861	(56,861)	-	-
	<u>99,362</u>	<u>1,237,577</u>	<u>(1,219,372)</u>	<u>250</u>	<u>117,817</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	4,013,981	-	(90,093)	-	3,923,888
DfE Group capital grants	181,779	6,459	(13,894)	(250)	174,094
Capital expenditure from GAG	23,564	-	(6,792)	-	16,772
	<u>4,219,324</u>	<u>6,459</u>	<u>(110,779)</u>	<u>(250)</u>	<u>4,114,754</u>
<b>Pension reserve</b>	<u>(1,058,000)</u>	<u>-</u>	<u>(33,000)</u>	<u>172,000</u>	<u>(919,000)</u>
<b>Total restricted funds</b>	<u>3,260,686</u>	<u>1,244,036</u>	<u>(1,363,151)</u>	<u>172,000</u>	<u>3,313,571</u>



**Holy Trinity CE Primary Academy (Handsworth)**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**13. Funds (continued)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>					
Other income	6,705	45,504	(45,504)	-	6,705
<b>Total unrestricted funds</b>	<u>6,705</u>	<u>45,504</u>	<u>(45,504)</u>	<u>-</u>	<u>6,705</u>
<b>Total funds</b>	<u>3,267,391</u>	<u>1,289,540</u>	<u>(1,408,655)</u>	<u>172,000</u>	<u>3,320,276</u>

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

**Restricted general funds**

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Unrestricted funds**

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

**Restricted fixed asset funds**

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	120,068	1,024,272	(1,035,679)	(9,299)	99,362
Pupil Premium	-	164,319	(164,319)	-	-
Other grants	-	49,990	(49,990)	-	-
	<u>120,068</u>	<u>1,238,581</u>	<u>(1,249,988)</u>	<u>(9,299)</u>	<u>99,362</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	4,107,807	-	(93,826)	-	4,013,981
DfE Group capital grants	154,417	45,426	(18,064)	-	181,779
Capital expenditure from GAG	19,777	-	(5,512)	9,299	23,564
	<u>4,282,001</u>	<u>45,426</u>	<u>(117,402)</u>	<u>9,299</u>	<u>4,219,324</u>
<b>Pension reserve</b>	<u>(1,409,000)</u>	<u>-</u>	<u>(58,000)</u>	<u>409,000</u>	<u>(1,058,000)</u>
<b>Total restricted funds</b>	<u>2,993,069</u>	<u>1,284,007</u>	<u>(1,425,390)</u>	<u>409,000</u>	<u>3,260,686</u>

**Holy Trinity CE Primary Academy (Handsworth)**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**13. Funds (Continued)**

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>					
Other income	6,705	44,497	(44,497)	-	6,705
<b>Total unrestricted funds</b>	<u>6,705</u>	<u>44,497</u>	<u>(44,497)</u>	<u>-</u>	<u>6,705</u>
<b>Total funds</b>	<u>2,999,774</u>	<u>1,328,504</u>	<u>(1,469,887)</u>	<u>409,000</u>	<u>3,267,391</u>

A current year 12 months and prior year 12 months combined position is as follows :

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	120,068	2,043,899	(2,037,101)	(9,049)	117,817
Pupil Premium	-	325,408	(325,408)	-	-
Other grants	-	106,851	(106,851)	-	-
	<u>120,068</u>	<u>2,476,158</u>	<u>(2,469,360)</u>	<u>(9,049)</u>	<u>117,817</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	4,107,807	-	(183,919)	-	3,923,888
DfE Group capital grants	154,417	51,885	(31,958)	(250)	174,094
Capital expenditure from GAG	19,777	-	(12,304)	9,299	16,772
	<u>4,282,001</u>	<u>51,885</u>	<u>(228,181)</u>	<u>9,049</u>	<u>4,114,754</u>
<b>Pension reserve</b>	<u>(1,409,000)</u>	<u>-</u>	<u>(91,000)</u>	<u>581,000</u>	<u>(919,000)</u>
<b>Total restricted funds</b>	<u>2,993,069</u>	<u>2,528,043</u>	<u>(2,788,541)</u>	<u>581,000</u>	<u>3,313,571</u>
<b>Unrestricted funds</b>					
Other income	6,705	90,001	(90,001)	-	6,705
<b>Total unrestricted funds</b>	<u>6,705</u>	<u>90,001</u>	<u>(90,001)</u>	<u>-</u>	<u>6,705</u>
<b>Total funds</b>	<u>2,999,774</u>	<u>2,618,044</u>	<u>(2,878,542)</u>	<u>581,000</u>	<u>3,320,276</u>

**14. Analysis of net assets between funds**

Fund balances at 31 August 2018  
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	4,113,756	4,113,756
Current assets	6,705	-	163,776	998	171,479
Current liabilities	-	-	(45,959)	-	(45,959)
	<u>6,705</u>	<u>-</u>	<u>117,817</u>	<u>4,114,754</u>	<u>4,239,276</u>
Pension scheme liability	-	(919,000)	-	-	(919,000)
<b>Total net assets</b>	<u>6,705</u>	<u>(919,000)</u>	<u>117,817</u>	<u>4,114,754</u>	<u>3,320,276</u>



**Holy Trinity CE Primary Academy (Handsworth)**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**14. Analysis of net assets between funds (continued)**

Comparative information in respect of the preceding period is

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	4,219,324	4,219,324
Current assets	6,705	-	176,388	-	183,093
Current liabilities	-	-	(77,026)	-	(77,026)
	<u>6,705</u>	<u>-</u>	<u>99,362</u>	<u>4,219,324</u>	<u>4,325,391</u>
Pension scheme liability	-	(1,058,000)	-	-	(1,058,000)
<b>Total net assets</b>	<u>6,705</u>	<u>(1,058,000)</u>	<u>99,362</u>	<u>4,219,324</u>	<u>3,267,391</u>

**15. Capital commitments**

There were no capital commitments at 31 August 2018 (2017: £nil).

**16. Commitments under operating leases**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Total 2018	Other Total 2017
	£	£
Amounts due within one year	4,367	4,367
Amounts due between one and five years	2,911	6,551
	<u>7,278</u>	<u>10,918</u>

**17. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	Total 2017/18	Total 2016/17
	£	£
Net income/(expenditure) for reporting period (as per the SoFA)	(119,115)	(141,383)
Adjusted for :		
Depreciation (note 10)	110,779	117,402
Capital grants from DfE and other capital income	(6,459)	(45,426)
Interest receivable (note 4)	(96)	(111)
Defined benefit pension scheme cost less contributions payable (note 21)	7,000	28,000
Defined benefit pension scheme finance cost/(income) (note 21)	26,000	30,000
Decrease / (increase) in debtors	13,131	(2,141)
(Decrease) / increase in creditors	(31,067)	38,431
<b>Net cash provided by / (used in) operating activities</b>	<u>173</u>	<u>24,772</u>

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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**18. Cash flows from investing activities**

	Total 2017/18 £	Total 2016/17 £
Interest received	96	111
Purchase of tangible fixed assets	(5,211)	(54,725)
Capital grants from DfE Group	6,459	45,426
<b>Net cash provided by / (used in) investing activities</b>	<u>1,344</u>	<u>(9,188)</u>

**19. Analysis of cash and cash equivalents**

	At 31 August 2018 £	At 31 August 2017 £
Cash at bank and in hand	137,963	136,446
	<u>137,963</u>	<u>136,446</u>

**20. Member's liability**

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

**21. Pension and similar obligations**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. 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 2016.

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



**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**21. 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' 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**

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

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

The employer's pension costs paid to TPS in the year amounted to £57,990 (2017 : £67,770).

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

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

**Holy Trinity CE Primary Academy (Handsworth)**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**21. Pension and similar obligations (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £125,000 (2017 : £82,000), of which employer's contributions totalled £108,000 (2017 : £64,000) and employees' contributions totalled £17,000 (2017 : £18,000). The agreed contribution rates for future years are between 5.5% and 6.5% for employees and 18.4% for employers.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 19 years.

**Principal actuarial assumptions**

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.65%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

**Sensitivity analysis**

	<b>As disclosed</b>	<b>Discount rate</b>	<b>CPI rate</b>	<b>In life expectancy</b>
		<b>+ 0.1% pa</b>	<b>+ 0.1% pa</b>	<b>+ 1 year</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Present value of total obligation	1,870	1,832	1,904	1,936
Projected service cost	101	99	103	104
		<b>- 0.1% pa</b>	<b>- 0.1% pa</b>	<b>- 1 year</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Present value of total obligation	1,870	1,909	1,837	1,806
Projected service cost	101	103	99	98

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

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6



**Holy Trinity CE Primary Academy (Handsworth)**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**21. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

The academy's share of the assets in the scheme was :

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	602,000	528,000
Government bonds	68,000	61,000
Other bonds	35,000	32,000
Property	77,000	61,000
Cash/liquidity	36,000	42,000
Other	133,000	111,000
<b>Total market value of assets</b>	<b>951,000</b>	<b>835,000</b>

The actual return on scheme assets was £10,000 (2017 : £125,000).

	2018 £	2017 £
<b>Amount recognised in the statement of financial activities</b>		
Current service cost (net of employee contributions)	115,000	92,000
Net interest cost	26,000	30,000
<b>Total amount recognised in the SoFA</b>	<b>141,000</b>	<b>122,000</b>

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

	2018 £	2017 £
<b>At 1 September 2017</b>	<b>1,893,000</b>	<b>2,102,000</b>
Current service cost	115,000	92,000
Interest cost	49,000	46,000
Changes in financial assumptions	(185,000)	68,000
Change in demographic assumptions	-	(12,000)
Experience (gain) on defined benefit obligation	-	(401,000)
Benefits paid net of transfers in	(19,000)	(20,000)
Contributions by participants	17,000	18,000
<b>At 31 August 2018</b>	<b>1,870,000</b>	<b>1,893,000</b>

**Holy Trinity CE Primary Academy (Handsworth)**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**21. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

**Changes in the fair value of academy's share of scheme assets were as follows :**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2017</b>	835,000	693,000
Interest income	23,000	16,000
Return on assets less interest	(13,000)	109,000
Other actuarial (losses)	-	(45,000)
Employer contributions	108,000	64,000
Contributions by participants	17,000	18,000
Benefits paid net of transfers in	(19,000)	(20,000)
<b>At 31 August 2018</b>	<b>951,000</b>	<b>835,000</b>
 <b>Net pension scheme liability</b>	 <b>(919,000)</b>	 <b>(1,058,000)</b>

**22. Related party transactions**

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

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 8.