

Humber Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

Humber Education Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 13
Governance Statement	14 to 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report on the Financial Statements	20 to 22
Independent Reporting Accountant's Report on Regularity	23 to 24
Statement of Financial Activities incorporating Income and Expenditure Account	25 to 26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 to 58

Humber Education Trust

Reference and Administrative Details

Members	D Downs (appointed 25 November 2017) G Brook (appointed 25 November 2017) L DeVries (appointed 25 November 2017) S Spandler (appointed 25 November 2017) G Groom (resigned 25 November 2017) R Morrell (resigned 25 November 2017)
Chief Executive Officer	A Grantham (resigned 1 September 2017) R Wilkes (from 1 September 2017)
Governors and Trustees (Directors)	G Brook, (Chair) (appointed 1 September 2017) B Stillings (appointed 1 September 2017) Mr P Brown, (ii) (appointed 1 September 2017) G Gibbons, (ii) (appointed 1 September 2017) M Wilmot, (i) (appointed 1 September 2017) G Barley, (i) (appointed 1 September 2017) S Kernan (appointed 1 September 2017) R Wilkes, (i) (ii) (appointed 1 September 2017) H Hudson, (i) (appointed 26 September 2017) P Stevens, (i) (appointed 26 September 2017) K Brice (appointed 6 December 2017 and resigned 6 February 2018) A Jordan, (i) (appointed 1 March 2018) R Morrell (resigned 6 February 2018) A Grantham, (Head Teacher) (resigned 6 February 2018) G Groom (resigned 6 February 2018) Mrs P Brown (resigned 6 February 2018) Captain J Hotchin (resigned 6 February 2018) C Williams, (Staff Governor) (resigned 6 February 2018) K Johnson, (Staff Governor) (resigned 13 November 2017) D Baron, (Staff Governor) (resigned 6 February 2018) R Norman (resigned 6 February 2018)

(i) members of the Finance and Resources Committee

(ii) members of the Audit Committee

Humber Education Trust

Reference and Administrative Details (continued)

Central Management Team	R Wilkes (from 1 September 2017), Chief Executive Officer N Siddle (from 1 January 2018), Chief Financial Officer P Plumridge (from 1 January 2018), Strategic School and Improvement Lead C Purdue (from 1 September 2017 to 31 December 2017), Interim Chief Financial Officer S Herrick (from 1 September 2017), HR Specialist
Principal and Registered Office	Clifton Primary School Burslem Street Hull HU2 9BP
Company Registration Number	08682547
Auditors	Forrester Boyd Robson Limited Kingfisher Court Plaxton Bridge Road Woodmansey Beverley HU17 0RT
Bankers	Lloyds Bank Plc 1 Grand Buildings Jameson Street Hull HU1 3JX
Solicitors	Browne Jacobson PLC Mowbray House Castle Meadow Road Nottingham NG2 1BJ

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust changed its name to Humber Education Trust with Companies House on 1 March 2017 and converted to multi academy trust status on 1 September 2017. On 1 September 2017, 5 existing academies; Maybury Primary School, Christopher Pickering Primary School, Ganton Primary School, Neasden Primary School and St Nicholas Primary School joined the Trust.

During the year the Trust has grown to 10 schools in total with 5 more converter academies joining; Clifton Primary School (in November 2017), Adelaide Primary School, Parkstone Primary School and Woodland Primary School (in January 2018) and Broadacre Primary School (in April 2018).

The 2017 results that follow are Maybury Primary School only for the whole 12 months.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 08682547.

The Governors act as the Trustees for the charitable activities of Humber Education Trust and are also the Directors of the charitable company for the purposes of company law. Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

The Academy Trust operated ten academies during the year as follows:

- Adelaide Primary School
- Broadacre Primary School
- Christopher Pickering Primary School
- Clifton Primary School
- Ganton School (Special)
- Maybury Primary School
- Neasden Primary School
- Parkstone Primary School
- St Nicholas Primary School
- Woodland Primary School

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

Trustees' indemnities

The Academy through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Governors. The insurance provides cover up to £2,000,000 on any one claim.

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Method of recruitment and appointment or election of Trustees

The company's Memorandum and Articles of Association are the primary governing documents of the Academy. The number of members shall be not less than three but, (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The CEO shall be treated for all purposes as being an ex officio Trustee.

The Secretary of State may also appoint additional Governors if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy. The Secretary of State has not appointed any additional Trustees.

The Trustees appointed have been carefully selected to establish a broad, diverse and effective skill set. New Trustees are identified after a skills audit of existing Trustees is conducted to identify areas of weakness. All prospective Trustees go through a rigorous and robust selection process to ensure that the board is constantly self-improving and effective challenge takes place.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All Trustees are given the opportunity to tour the academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. They are also provided with the Directors' Code of Conduct.

As appointments of new Trustees are infrequent, induction tends to be on an informal basis and is tailored to the needs of the individual. Trustees and Local Governors are all encouraged to attend a wide range of training provided by the Trust and the Governors Team.

Arrangements for setting pay and remuneration of key management personnel

The Trust has established a pay committee comprising of Trustees who are not employees of the Trust:

- to make decisions in relation to centrally employed staff pay, in accordance with the agreed Pay Policy.
- to make decisions in relation to Headteachers' pay, based on LGB recommendations and performance management outcomes.

The Trustees conduct the appraisal and pay progression for the CEO.

The CEO conducts the appraisal of the Central Team staff and the Headteachers of the schools. The Trustees agree pay progression for these staff.

Headteachers conduct the appraisal for teachers in their schools. Local governing bodies have their own pay committees to agree pay progression for teachers.

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Organisational structure

There are three layers of governance.

Members

- Members control the strategic direction of the Trust and appoint Trustees

Trustees

- Trustees retain accountability and responsibility for the strategic operation of Humber Education Trust and the academies within it.
- Trustees have oversight of the curriculum, standards, progress and outcomes of the Trust and the individual academies.
- Trustees have oversight of the finances and risk management of the Trust and the individual academies.

Local Governing Bodies

- LGBs guide, support and monitor the work of the academies in school improvement and education.
- LGBs ensure clarity of vision, ethos and strategic direction at each academy.
- LGBs hold Headteachers to account for the educational performance of the academy and its pupils.
- LGBs oversee the financial performance of the academies and ensure that money is well spent.
- LGBs advise the CEO and Trustees as appropriate and necessary.

The day to day management of the Trust is the responsibility of the CEO who has operational responsibility for the leadership and management of the Trust. They are supported in this by the School Improvement Lead and Chief Financial Officer. Central services are provided by the CEO, HR Specialists, the School Improvement Lead & Chief Financial Officer.

The Trustees have operated three committees for 2017/18:

- Curriculum & Standards
- Finance & General Purposes
- Audit

Local Governing Bodies are also committees of the Trust and discharge their duties on behalf of the Trustees, working within the remit of an agreed and understood Scheme of Delegation, including Financial Regulations.

The Accounting Officer is Mrs R E Wilkes.

Connected organisations, including related party relationships

Humber Education Trust works in partnership with a range of organisations to benefit and enhance the provision and support offered to schools within its Trust. The facilities time for the Trade Union Representatives includes NEU, NAHT, NASUWT, Voice, ASCL, Unison and GMB and is purchased through a pooled budget arrangement. Humber Education Trust is not the employer of these Trade Union Representatives.

Governors and Trustees are drawn from the local and wider community and from time to time it is possible that the Trust will enter into transactions with organisations which a Trustee or Governor may have an interest. All such transactions are reflected in the Trust's Register of Business Interests, published on the Trust website. These are duly considered at all levels of governance to ensure that any such transactions are in line with Academy Financial Handbook regulations.

The Trust had no related party transactions or any other connected charities and organisations for the academic year 2017 – 2018.

The Trust Board and its committees must meet regularly to discharge their responsibilities as per the Articles of Association.

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Objectives and activities

Objects and aims

The Academy Trust's objects ("the Objects") are specifically restricted to the following:

To advance for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them; or 16 to 19 Academies offering a curriculum appropriate to the needs of its students; or schools specially organised to make special educational provision for pupils with Special Educational Needs.

The principal activity of Humber Education Trust is to provide the highest quality education for all children within our schools, and to influence and support the quality of provision across the City of Hull and our wider regional area. Our ethos is 'Everybody counts and every moment matters'. The Trust strives to ensure that every child receives high quality teaching and learning opportunities. Our schools also lay the foundations of character, citizenship and respect for others to prepare children for life and to encourage social mobility.

Objectives, strategies and activities

Humber Education Trust was formed to provide the best possible education for Children in Hull and the wider local area. It also intends to provide a local solution to sponsorship so schools in difficulty can access a local sponsor. The Academy Trust also offers school to school support and high quality CPD (Continuing Professional Development) for schools.

Humber Education Trust is committed to:

- Work ethically and with mutual respect and collaboration.
- Provide a caring and safe environment where responsible, tolerant and principled global citizens can grow.
- Develop creative, enquiring and resilient learners with a thirst for knowledge.
- Promote success and celebrate effort.
- Provide a vibrant, challenging and enriching curriculum by encouraging fresh thoughts and outward-looking ideas.
- Ensure that all staff have outstanding continual professional development and feel appreciated and supported.
- Embrace technology, to reflect the changing needs of our world.
- Play our part in this strong community and provide support for all the families within it.
- Recognise the diverse needs of our community, to ensure that children and young people from all backgrounds thrive.
- Drive financial efficiencies, seek best value and save money in order to reinvest in the classroom.

Humber Education Trust's vision is to develop a high performing Multi Academy Trust that delivers the very best educational experience for all children and young people. We will grow, develop, support and improve our schools across the Trust, with a clear focus on raising standards, encouraging innovation and strengthening the ethos of the Trust to ensure that we have a positive impact on all of the children and young people within the Trust.

As a partnership, our strength lies in a common purpose: high aspirations, moral values, care and support; yet celebrates our individual uniqueness. As a trust, we will drive these aims further and faster for the benefit of our pupils and our communities.

Humber Education Trust is also recognised by the DfE as an Academy Sponsor. This means that through the Trust, we are held accountable for sponsored schools who may join us, to ensure improvement in outcomes and taking responsibility for their performance and financial arrangements.

Humber Education Trust is supported by a strong Trust Board who provide effective support and the challenge required to ensure that we build on our track record of excellence to provide strategic partnerships to improve quality, share best practice and operate effectively and efficiently. We believe passionately that every penny that comes into a school should be spent on the development and provision of a first class standard of education for all.

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Public benefit

As an all-inclusive Academy Trust, promoting educational activities and community use of its facilities, the trustees believe this meets the Public Benefit test as required under Charity Law. The main public benefit delivered by the trust is the maintenance and development of a high quality education to all pupils in its care. It is the trustees aim to provide outstanding teaching and learning opportunities in all schools within the Trust.

To this end the Trust currently runs 10 academies serving over 2,900 pupils aged 2-19 and their families.

Through the provision of educational and extra-curricular activities, the Academy Trust aims to contribute considerable benefit to the local community.

The Trust involves the community in a variety of ways:

- Family learning opportunities
- Adult learning opportunities
- Early help and support
- Strong links with partner schools, agencies and the wider community
- Visits and visitors
- A range of out of school events and activities

Perhaps the greatest benefit that the Academy Trust can offer is the provision of an education that maximises each student's potential to develop principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

The Trustees have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission.

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and performance

Ofsted Inspections this year:

Ganton Special School - Outstanding (January 2018)
Christopher Pickering Primary - Good (January 2018)
St Nicholas Primary - Good (June 2018)

Schools joining during the year:

St Nicholas Primary 1st September 2017
Neasden Primary 1st September 2017
Ganton Special School 1st September 2017
Christopher Pickering Primary 1st September 2017
Maybury Primary School 1st September 2017
Clifton Primary 1st November 2017.
Adelaide Primary 1st January 2018
Woodland Primary 1st January 2018
Parkstone Primary 1st January 2018
Broadacre Primary 1st April 2018

Schools due to join:

Frederick Holmes School 1st September 2018
Tweendykes School & 6th Form 1st January 2019

Pupil numbers - Census 1st January 2018

School	Number on Roll
Adelaide Primary School	413
Broadacre Primary School	366
Christopher Pickering Primary School	467
Clifton Primary School	319
Ganton School	176
Maybury Primary School	239
Neasden Primary School	244
Parkstone Primary School	349
St Nicholas Primary School	191
Woodland Primary School	188

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Key performance indicators

The Trust uses the following financial KPIs for benchmarking purposes:

Teacher: Pupil Ratio; Teaching costs per pupil; Overall staffing costs per pupil; Total expenditure per pupil

Good Level of Development at the end of the Early Years Foundation Stage

School	% achieving GLD	National % achieving GLD
Adelaide Primary School	58%	
Broadacre Primary School	75%	
Christopher Pickering Primary School	57%	
Clifton Primary School	56%	
Maybury Primary School	53%	72%
Neasden Primary School	67%	
Parkstone Primary School	76%	
St Nicholas Primary School	66%	
Woodland Primary School	52%	

% of Pupils Passing Phonics Check

School	% Y1 pupils passing Phonics Check	% pupils passing Phonics Check by end of KS1
NATIONAL OUTCOMES	82%	92%
Adelaide Primary School	83%	90%
Broadacre Primary School	75%	93%
Christopher Pickering Primary School	70%	83%
Clifton Primary School	64%	87%
Maybury Primary School	77%	97%
Neasden Primary School	74%	83%
Parkstone Primary School	84%	96%
St Nicholas Primary School	86%	93%
Woodland Primary School	64%	76%

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Outcomes at the end of KS1 (Year 2). % achieving the expected standard

School	Reading	Writing	Maths	RWM Combined
NATIONAL OUTCOMES	75%	70%	76%	65%
Adelaide Primary School	75%	69%	75%	66%
Broadacre Primary School	84%	80%	80%	73%
Christopher Pickering Primary School	70%	67%	72%	62%
Clifton Primary School	76%	76%	78%	69%
Maybury Primary School	73%	67%	70%	60%
Neasden Primary School	70%	65%	70%	61%
Parkstone Primary School	84%	80%	84%	77%
St Nicholas Primary School	67%	67%	77%	60%
Woodland Primary School	59%	52%	59%	45%

Outcomes at the end of KS2 (Year 6). % achieving the expected standard

School	Reading	Writing	Maths	Grammar, Punctuation & Spelling	RWM Combined
NATIONAL OUTCOMES	75%	78%	76%	78%	64%
Adelaide Primary School	53%	75%	84%	75%	49%
Broadacre Primary School	92%	92%	87%	89%	87%
Christopher Pickering Primary School	83%	83%	85%	81%	78%
Clifton Primary School	87%	90%	87%	90%	87%
Maybury Primary School	97%	77%	97%	94%	77%
Neasden Primary School	88%	88%	95%	85%	81%
Parkstone Primary School	90%	88%	88%	94%	86%
St Nicholas Primary School	82%	75%	93%	86%	68%
Woodland Primary School	86%	73%	82%	77%	73%

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Progress measures at the end of KS2

School	Reading	Writing	Maths
NATIONAL OUTCOMES	0	0	0
Adelaide School Primary	0.6	2.8	3.4
Broadacre School Primary	2.5	3.2	0.7
Christopher Pickering Primary School	1.0	1.3	-1.2
Clifton Primary School	5.6	2.5	6.3
Maybury School Primary	2.2	-0.5	1.4
Neasden School Primary	2.2	2.6	3.2
Parkstone School Primary	4.6	1.6	3.4
St Nicholas School Primary	3.4	4.0	6.6
Woodland School Primary	1.4	0.9	1.4

Going concern

After making appropriate enquiries, the Governing Body 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

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 18 total expenditure of £16,554,616 was not covered by the recurrent grant funding from the DfE together with other incoming resources of £15,077,932 (excluding capital grants, transfers on conversion and transfer of existing academies). The excess of expenditure over income for the period was £1,476,684. If depreciation and FRS 102 pension adjustments were excluded the surplus would be £229,487.

At 31 August 2018 the net book value of fixed assets was £50,228,050 and movements in tangible fixed assets are shown in note 12 to the financial statements.

The Academy's associate staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £5,803,000.

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees consider that the appropriate level of free reserves should be no less than 3 months salary costs.

A breakdown of the funds at 31 August 2018 is as follows:-

	£
Restricted general fund	165,257
Restricted fixed asset fund	50,284,626
Restricted pension fund	(5,803,000)
Unrestricted general fund	3,092,585
	<u>47,739,468</u>

Investment policy

The Trustees agree all investments made by the Academy Trust. The Academy Trust does not currently hold any investments outside its current account. Future investments are likely to be restricted to deposit and money market accounts in all UK banks. The Academy Trust will seek to hold adequate cash reserves for the day to day running of the Trust in line with the reserves policy.

Principal risks and uncertainties

The principal risk and uncertainties are centered around changes in the level of funding from the DfE/EFA. In addition, the Academy is a member of the Local Government Pension (LGPS), which may result in significant movements each year.

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed. The Trust Risk Matrix is reviewed by the Audit Committee and key strategic risks are reviewed and actions to mitigate each risk are identified and reasonable assurance is discussed. Schools have also undertaken a risk assessment process with any key risks being escalated to the board.

The Trust also continues to review its financial procedures to ensure appropriate controls are in place to provide reasonable assurance against fraud and error with the new Humber Education Trust package helping to achieve this. The Trust has also initiated new budgeting software (HCSS) to develop longer term planning and forecast of financial risk.

The Trustees believe that the principal risks and uncertainties in connection with providing the educational services the academy trust is able to offer are;

- Staff retention: This would lie in the failure to retain key staff, particularly at a senior level, which could undermine the quality of education on offer to pupils. This is mitigated by strategic succession planning at all levels and wide ranging CPD opportunities for all staff.
- Maintaining and improving pupil numbers: Not all of our schools are at capacity. Those schools situated in areas of current regeneration or without a catchment area are below capacity at the present time. Potential cash flow concerns for these schools are mitigated by flexible staffing arrangements across the trust and careful monitoring of income and expenditure.
- Staff recruitment: Recruitment to the teaching profession has fallen with a reduction in the number of graduates choosing teaching as a career path and Hull as a location. Our trust mitigates this risk by being actively involved in the training of future teachers through SCITT and Graduate Teacher Programmes. Fair staffing policies also ensure that our trust is an 'employer of choice'.
- Reduction in funding levels: A reduction in academy funding in real terms is expected alongside increasing cost pressures linked to staffing. We are mitigating this risk by carrying out our budget planning in a prudent manner, tasking a procurement team with identifying cost savings across the organisation and engaging in a range of system leadership to generate income.

Humber Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

The policies of the Academy Trust are structured with the following objectives in mind:

- To enable the Academy Trust to continue as a going concern to achieve the aims and objectives set out in its governing document.
- To promote the Academy Trust's work as an educational establishment within the community it serves and to continue to improve the services it offers.

Further risks are contained within the Trust Risk register and are reviewed at each Audit Committee meeting.

Fundraising

All academies within Humber Education Trust occasionally organise fundraising events such as fairs, fetes, cake sales and other activities. Humber Education Trust Academy Trust does not use professional fundraisers or involve commercial participators in our fundraising practices. There have been no complaints about fundraising activity this year.

All academies within the Trust comply with the Charities Commission guidance on fundraising. Marketing of fundraising activities is generally through school channels such as texts/letters to parents/carers or notices on the school noticeboard.

Plans for future periods

Humber Education Trust is an established Trust as defined by the DfE and is looking to expand over the coming financial year from its current position of 10 schools. A number of schools have expressed an interest in joining the trust as converter academies. The trust has a robust due diligence procedure in place to ensure that any academies joining the Trust will have a positive impact on the Trust, and the outcomes for pupils within it. As a Trust with sponsorship status, the Trustees are seeking to enter into discussions with schools which are looking for sponsorship status and support. The Trust has significant capacity to offer in this respect.

Employment of disabled persons

Humber Education Trust is committed to the equality of opportunity for all employees, including those with a disability. From recruitment, our application forms highlight the Two Ticks positive. This continues through to training opportunities and in further career development. The Trust adopted the Local Authority model policy on conversion and this has been supplemented by individual school level policies.

Description of employee consultation

Humber Education Trust follows the principle that all changes affecting staff, children and family involves due process and for staff to feel part of a community that does things with rather than to people. Staff are consulted on a range of matters at both Trust and school level.

Auditor

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:



G Brook

Governor and trustee

Humber Education Trust

Governance Statement

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to R Wilkes, (Chief Executive Officer), 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 Humber Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
G Barley	3	4
G Brook	4	4
Mr P Brown	4	4
G Gibbons	1	4
H Hudson	1	4
A Jordan	1	1
S Kernan	3	4
P Stevens	2	4
B Stillings	1	4
R Wilkes	4	4
M Wilmot	3	4
K Brice	0	0
R Morrell	1	2
A Grantham	2	2
G Groom	0	2
Mrs P Brown	0	2
Captain J Hotchin	0	2
C Williams	0	2
K Johnson	0	1
D Baron	0	2
R Norman	0	2

Humber Education Trust

Governance Statement (continued)

Governance reviews

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to monitor closely the financial performance of the Academy and to review all policies and practices relating to these areas.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
G Barley	3	3
H Hudson	1	3
P Stevens	2	3
R Wilkes	3	3
M Wilmot	3	3
A Jordan	0	1

The Audit Committee is a sub-committee of the main board of trustees. Its purpose is to assess internal review and external audit reports and reports to the Board of Trustees. Its remit covers Health and Safety, Safeguarding and Risk Management, including financial risk where applicable. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Brown	3	3
G Gibbons	3	3
R Wilkes	3	3

A third member of this committee, with a financial background, has been recruited from September 2018 onwards.

Review of value for money

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

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

The Accounting Officer for the academy trust has delivered improved value for money during the year in the following ways:

- The Trust procured SAGE for Education as its accounting package in 2017 and has spent this year implementing it fully in the organisation. Consistent reporting is now embedded and clear protocols to enable the trust to maintain a strict overview of its budget spending against actual allocations.
- A procurement team has been established to manage key MAT level tendering and will feed its information into the finance and general purposes committee.
- The trust has rolled out new budgeting software (HCSS) to develop improved budgeting for the trust's finances at a school and trust level. KPIs are benchmarked regularly and consistent reporting has been implemented.
- The trust has also rolled out compliance management software to oversee all compliance, contract, health & safety and premises activities across the group. This has the potential to develop further with conditions planning, capital project planning and site issue management. This has been centrally procured with a significant MAT discount achieved.

Humber Education Trust

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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Humber Education Trust for the year ended 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 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 decided:

- not to appoint an internal auditor. However the Trustees have appointed Forrester Boyd Robson Limited, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of banking controls
- testing of high level controls
- academy procedures and documentation review

There were no material control or other issues reported by the external auditor to date.

Review of effectiveness

As Accounting Officer, R Wilkes, (Chief Executive Officer) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors and bespoke reports;
- 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 Audit Committee Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Humber Education Trust
Governance Statement (continued)

Approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:



G Brook
Governor and trustee



R Wilkes
Accounting officer
Chief Executive Officer

Humber Education Trust

Statement on Regularity, Propriety and Compliance

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



R Wilkes
Accounting officer

5 December 2018

Humber Education Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 on 5 December 2018 and signed on its behalf by:



G Brook
Governor and trustee



R Wilkes
Chief Executive Officer

Humber Education Trust

Independent Auditor's Report on the Financial Statements to the Members of Humber Education Trust

Opinion

We have audited the financial statements of Humber Education Trust (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, 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 FRS 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.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards 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 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's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the 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 matters prescribed by the Companies Act 2006

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

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

Humber Education Trust

Independent Auditor's Report on the Financial Statements to the Members of Humber Education Trust (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 19], 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'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 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 judgement 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'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'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 to cease to continue as a going concern.
- 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.

Humber Education Trust

Independent Auditor's Report on the Financial Statements to the Members of Humber Education Trust (continued)

Use of our report

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

Forrester Boyd Robson Ltd

Michael Beckett BA FCA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Robson Limited, Statutory Auditor

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: *10/12/2018*

Humber Education Trust

Independent Reporting Accountant's Report on Regularity to Humber Education Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 16 August 2018 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 Humber Education Trust 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 Humber Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Humber Education Trust 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 Humber Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated 30 September 2013 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 year from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 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.

Humber Education Trust

Independent Reporting Accountant's Report on Regularity to Humber Education Trust and the
Education & Skills Funding Agency (continued)

Forrester Boyd Robson Ltd

Michael Beckett BA FCA

For and on behalf of Forrester Boyd Robson Limited, Chartered Accountants

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: *10/12/2018*

Humber Education Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	146,685	-	76,556	223,241
Transfer from local authority on conversion and transfer in from existing Academy Trusts		2,409,748	(5,666,422)	47,604,354	44,347,680
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	14,533,862	-	14,533,862
Other trading activities	4	395,623	-	-	395,623
Investments	5	1,762	-	-	1,762
Total		2,953,818	8,867,440	47,680,910	59,502,168
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	108,138	15,512,307	934,171	16,554,616
Net income/(expenditure)		2,845,680	(6,644,867)	46,746,739	42,947,552
Transfers between funds		-	(112,152)	112,152	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	24	-	1,499,000	-	1,499,000
Net movement in funds/(deficit)		2,845,680	(5,258,019)	46,858,891	44,446,552
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		246,905	(379,724)	3,425,735	3,292,916
Total funds/(deficit) carried forward at 31 August 2018		<u>3,092,585</u>	<u>(5,637,743)</u>	<u>50,284,626</u>	<u>47,739,468</u>

Humber Education Trust

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2016/17 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	1,860	-	6,644	8,504
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,292,239	-	1,292,239
Other trading activities	4	64,449	-	-	64,449
Total		66,309	1,292,239	6,644	1,365,192
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	12,331	1,347,458	69,842	1,429,631
Net income/(expenditure)		53,978	(55,219)	(63,198)	(64,439)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	24	-	14,000	-	14,000
Net movement in funds/(deficit)		53,978	(41,219)	(63,198)	(50,439)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		192,927	(338,505)	3,488,933	3,343,355
Total funds/(deficit) carried forward at 31 August 2017		246,905	(379,724)	3,425,735	3,292,916

Humber Education Trust
(Registration number: 08682547)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	50,228,050	3,420,671
Current assets			
Debtors	13	841,358	240,327
Cash at bank and in hand		<u>3,802,481</u>	<u>488,550</u>
		4,643,839	728,877
Creditors: Amounts falling due within one year	14	<u>(1,329,421)</u>	<u>(319,632)</u>
Net current assets		<u>3,314,418</u>	<u>409,245</u>
Total assets less current liabilities		<u>53,542,468</u>	<u>3,829,916</u>
Net assets excluding pension liability		53,542,468	3,829,916
Pension scheme liability	24	<u>(5,803,000)</u>	<u>(537,000)</u>
Net assets including pension liability		<u><u>47,739,468</u></u>	<u><u>3,292,916</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		165,257	157,276
Restricted fixed asset fund		50,284,626	3,425,735
Restricted pension fund		<u>(5,803,000)</u>	<u>(537,000)</u>
		44,646,883	3,046,011
Unrestricted funds			
Unrestricted general fund		<u>3,092,585</u>	<u>246,905</u>
Total funds		<u><u>47,739,468</u></u>	<u><u>3,292,916</u></u>

The financial statements on pages 25 to 58 were approved by the Trustees, and authorised for issue on 5 December 2018 and signed on their behalf by:



G Brook
Governor and trustee

Humber Education Trust

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
Net cash inflow from operating activities	19	54,093,972	4,605
Cash transferred on conversions to the trust/on existing academies joining the trust		(3,116,809)	-
Returns on investments and servicing of finance		1,762	-
Capital expenditure and financial investment	20	<u>(47,664,994)</u>	<u>5,064</u>
Increase in cash in the year	21	<u><u>3,313,931</u></u>	<u><u>9,669</u></u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

The academy trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

Clifton Primary School
Burslem Street
Hull
HU2 9BP

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 the Education and Skills Funding Agency issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Humber Education Trust 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.

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

Donated services and gifts in kind

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

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Transfer of existing academies into the trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

Donated fixed assets

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.

All resources expended are inclusive of irrecoverable VAT.

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.

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

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.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

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

Asset class	Depreciation method and rate
Leasehold Land	Straight line over 90-125 years
Leasehold buildings	Straight line over 50 years
Improvements to leasehold land and buildings	Straight line over 10-25 years
Furniture & equipment	Straight line over 3-5 years
IT equipment	Straight line over 3-5 years
Motor vehicles	Straight line over 5 years

Liabilities

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

Provisions

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

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

Leased assets

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

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

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.

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

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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 Department for Education Group.

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2018. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2017/18 Total £	2016/17 Total £
Other voluntary income				
Educational trips and visits	95,949	-	95,949	1,860
Capital grants	-	76,556	76,556	6,644
Other donations	50,736	-	50,736	-
	<u>146,685</u>	<u>76,556</u>	<u>223,241</u>	<u>8,504</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2017/18 Total £	2016/17 Total £
DfE/ESFA revenue grants			
General Annual Grant	10,064,632	10,064,632	995,950
Pupil Premium	1,133,971	1,133,971	157,001
SEN & Early Years Funding	2,776,999	2,776,999	96,823
Other ESFA Grants	181,434	181,434	17,993
Universal Infant Free School Meals	231,826	231,826	24,472
Start up Grants	125,000	125,000	-
	<u>14,513,862</u>	<u>14,513,862</u>	<u>1,292,239</u>
Non-government grants and other income			
Big Fund Lottery Grant	20,000	20,000	-
Total grants	<u>14,533,862</u>	<u>14,533,862</u>	<u>1,292,239</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

4 Other trading activities

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Hire of facilities	34,027	34,027	-
Catering income	22,816	22,816	-
Recharges and reimbursements	120,284	120,284	54,900
Other income	218,496	218,496	7,865
Foundation	-	-	1,684
	<u>395,623</u>	<u>395,623</u>	<u>64,449</u>

5 Investment income

	Unrestricted funds £	2017/18 Total £
Bank Interest Received	1,746	1,746
Investment Income	16	16
	<u>1,762</u>	<u>1,762</u>

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2018 £	Total 2017 £
Academy's educational operations					
Direct costs	10,365,071	874,517	779,761	12,019,349	1,024,272
Allocated support costs	<u>2,090,125</u>	<u>867,708</u>	<u>1,577,434</u>	<u>4,535,267</u>	<u>405,359</u>
	<u>12,455,196</u>	<u>1,742,225</u>	<u>2,357,195</u>	<u>16,554,616</u>	<u>1,429,631</u>
	<u>12,455,196</u>	<u>1,742,225</u>	<u>2,357,195</u>	<u>16,554,616</u>	<u>1,429,631</u>

Net incoming/outgoing resources for the year include:

	2018 £	2017 £
Operating leases:		
Operating leases - other leases	41,486	11,212
Fees payable to auditor - audit	26,500	4,180
- other audit services	9,700	650
Depreciation	<u>934,171</u>	<u>69,842</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Charitable activities

	2017/18 £	2016/17 £
Direct costs - educational operations	12,019,349	1,024,272
Support costs - educational operations	<u>4,535,267</u>	<u>405,359</u>
	<u>16,554,616</u>	<u>1,429,631</u>
	Educational operations £	2017/18 Total £
		2016/17 Total £
Analysis of support costs		
Support staff costs	2,090,125	156,605
Depreciation	59,652	3,242
Technology costs	191,099	29,517
Premises costs	808,056	76,158
Other support costs	1,362,082	139,837
Governance costs	<u>24,253</u>	<u>-</u>
Total support costs	<u>4,535,267</u>	<u>405,359</u>

8 Staff

Staff costs

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	9,193,962	754,014
Social security costs	774,853	67,165
Pension costs	2,369,385	180,007
Supply teacher costs	79,958	-
Staff restructuring costs	10,312	-
Apprenticeship Levy	<u>26,726</u>	<u>-</u>
	<u>12,455,196</u>	<u>1,001,186</u>
		2018 £
Staff restructuring costs comprise:		
Redundancy payments		5,860
Severance payments		<u>4,452</u>
		<u>10,312</u>

Non statutory/non-contractual staff severance payments

Included in wages and salaries are non-statutory/non-contractual severance payments totalling £4,452 (2017: £Nil). Individually, the payments were: £4,452 made on 30 June 2018.

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff (continued)

Staff numbers

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

	2018 No	2017 No
Charitable Activities		
Teachers	172	10
Administration and support	406	22
Management	3	6
	<u>581</u>	<u>38</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2018 No
£60,001 - £70,000	6
£70,001 - £80,000	1
£80,001 - £90,000	1
£90,001 - £100,000	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £300,164 (2017: £286,863).

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Central services

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

- Provision of the services of a Chief Financial Officer and Chief Executive Officer
- School Improvement
- Human Resources
- Audit, pension and legal services
- Provision of a Compliance Management System
- Provision of finance and budgeting system

The academy trust charges for these services on the following basis:

- 4.5% of AWPU (Age Weighted Pupil Unit) for all Academies

The actual amounts charged during the year were as follows:

	2018 £
Adelaide Primary School	44,554
Broadacre Primary School	37,538
Christopher Pickering Primary School	59,969
Clifton Primary School	34,707
Ganton School	46,001
Maybury Primary School	34,494
Neasden Primary School	39,416
Parkstone Primary School	42,707
St Nicholas Primary School	35,231
Woodland Primary School	20,677
	<hr/> <hr/> 395,294

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

10 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

R Wilkes (Chief Executive Officer):

Remuneration: £95,000 - £100,000 (2017 - £Nil)
Employer's pension contributions: £15,000 - £20,000 (2017 - £Nil)

A Grantham (Head Teacher):

Remuneration: £20,000 - £25,000 (2017 - £55,000 - £60,000)
Employer's pension contributions: £0 - £5,000 (2017 - £5,000 - £10,000)

C Williams (Teacher):

Remuneration: £15,000 - £20,000 (2017 - £35,000 - £40,000)
Employer's pension contributions: £0 - £5,000 (2017 - £5,000 - £10,000)

D Baron (Teachers Aide):

Remuneration: £5,000 - £10,000 (2017 - £20,000 - £25,000)
Employer's pension contributions: £0 - £5,000 (2017 - £5,000 - £10,000)

K Johnson (Teachers Aide):

Remuneration: £0 - £5,000 (2017 - £15,000 - £20,000)
Employer's pension contributions: £0 - £5,000 (2017 - £0 - £5,000)

The above remuneration for R Wilkes in 2018 is for a 12 month period.

The above remuneration for A Grantham in 2018 is for a 5 month (2017: 12 month) period.

The above remuneration for C Williams in 2018 is for a 5 month (2017: 12 month) period.

The above remuneration for D Baron in 2018 is for a 5 month (2017: 12 month) period.

The above remuneration for K Johnson in 2018 is for a 2.5 month (2017: 12 month) period.

During the year ended 31 August 2018, travel and subsistence expenses totalling £569 (2017 - £Nil) were reimbursed or paid directly to 1 trustees (2017 - 0).

Other related party transactions involving the trustees are set out in note 25.

11 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.

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	ICT equipment £	Improvements to leasehold land and buildings £	Motor vehicles £	Total £
Cost						
At 1 September 2017	3,537,050	2,607	9,557	-	-	3,549,214
Additions	-	67,897	53,584	53,367	-	174,848
Inherited assets	47,231,889	117,412	43,540	158,278	15,583	47,566,702
At 31 August 2018	<u>50,768,939</u>	<u>187,916</u>	<u>106,681</u>	<u>211,645</u>	<u>15,583</u>	<u>51,290,764</u>
Depreciation						
At 1 September 2017	123,192	1,563	3,788	-	-	128,543
Charge for the year	861,967	31,016	25,238	12,550	3,400	934,171
At 31 August 2018	<u>985,159</u>	<u>32,579</u>	<u>29,026</u>	<u>12,550</u>	<u>3,400</u>	<u>1,062,714</u>
Net book value						
At 31 August 2018	<u>49,783,780</u>	<u>155,337</u>	<u>77,655</u>	<u>199,095</u>	<u>12,183</u>	<u>50,228,050</u>
At 31 August 2017	<u>3,413,858</u>	<u>1,044</u>	<u>5,769</u>	<u>-</u>	<u>-</u>	<u>3,420,671</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Tangible fixed assets (continued)

Included within leasehold land and buildings is £49,783,780 (2017: £3,413,1858) relating to long leasehold land and buildings.

The leasehold land and buildings at Adelaide Primary School was donated to the trust at a value of £5,681,549 in the period end 31 August 2018 per a valuation in January 2018 by NPS Humber Limited.

The leasehold land and buildings at Broadacre Primary School was donated to the trust at a value of £3,689,768 in the period end 31 August 2018 per a valuation in April 2018 by NPS Humber Limited.

The leasehold land and buildings at Christopher Pickering Primary School was transferred to the trust at a value of £7,952,283 in the period end 31 August 2018 per depreciated cost recognised in the period ended 31 August 2017 Financial Statements for Christopher Pickering Primary School.

The leasehold land and buildings at Clifton Primary School was donated to the trust at a value of £4,451,817 in the period end 31 August 2018 per a valuation in November 2017 by NPS Humber Limited.

The leasehold land and buildings at Ganton School was transferred to the trust at a value of £11,027,792 in the period end 31 August 2018 per depreciated cost recognised in the period ended 31 August 2017 Financial Statements for Ganton School.

The leasehold land and buildings at Maybury Primary School was donated to the trust at a value of £3,537,050 in the period ended 31 August 2014 per a valuation in October 2014 by NPS Humber Limited.

The leasehold land and buildings at Neasden Primary School was transferred to the trust at a value of £4,430,303 in the period end 31 August 2018 per depreciated cost recognised in the period ended 31 August 2017 Financial Statements for Neasden Primary School.

The leasehold land and buildings at Parkstone Primary School was donated to the trust at a value of £4,082,972 in the period end 31 August 2018 per a valuation in January 2018 by NPS Humber Limited.

The leasehold land and buildings at St Nicholas Primary School was transferred to the trust at a value of £1,938,411 in the period end 31 August 2018 per depreciated cost recognised in the period ended 31 August 2017 Financial Statements for St Nicholas Primary School.

The leasehold land and buildings at Woodland Primary School was donated to the trust at a value of £3,976,994 in the period end 31 August 2018 per a valuation in January 2018 by NPS Humber Limited.

There are formal leases in place with the local authority for 125 years for the land and buildings at £nil rental. As the academies hold the risks and rewards of the buildings, the assets have been included on the basis of substance over legal form.

13 Debtors

	2018	2017
	£	£
Trade debtors	15,526	154,963
Prepayments	193,438	36,799
Accrued grant and other income	507,619	29,356
VAT recoverable	124,775	19,209
	<u>841,358</u>	<u>240,327</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

14 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	325,293	73,730
Other taxation and social security	222,713	20,012
Other creditors	499	-
Pension scheme creditor	238,540	20,178
Accruals	139,838	7,672
Deferred income	402,538	198,040
	1,329,421	319,632
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	198,040	18,451
Resources deferred in the period	402,538	198,040
Amounts released from previous periods	(198,040)	(18,451)
Deferred income at 31 August 2018	402,538	198,040

Deferred income as at 31 August 2018 represents; central service contributions for the period commencing 1 September 2018 onwards, Universal Infant Free School Meal income for the period September 2018 to March 2019, rates relief for the same period, unspent MDIF grant, a start up grant for an academy that joined the Trust on 1 September 2018 and trip income relating to trips taken post year end.

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	157,276	10,064,632	(9,961,769)	(94,882)	165,257
Other ESFA grants	-	181,434	(181,434)	-	-
UIFSM	-	231,826	(231,826)	-	-
Pupil premium	-	1,133,971	(1,133,971)	-	-
Start up grants	-	125,000	(107,730)	(17,270)	-
SEN & early years funding	-	2,776,999	(2,776,999)	-	-
Other non Government grants	-	20,000	(20,000)	-	-
Transfer of Restricted General Funds from existing academies into the Trust	-	326,578	(326,578)	-	-
	<u>157,276</u>	<u>14,860,440</u>	<u>(14,740,307)</u>	<u>(112,152)</u>	<u>165,257</u>
Restricted fixed asset funds					
Capital grants and expenditure from GAG	11,878	76,556	(16,873)	149,804	221,365
Capital grants on conversion	-	27,946	-	(27,946)	-
Donated Assets from Local Authority	3,413,857	21,913,387	(347,462)	-	24,979,782
Transfer of assets and unspent capital grants from existing academies into the Trust	-	25,663,021	(569,836)	(9,706)	25,083,479
	<u>3,425,735</u>	<u>47,680,910</u>	<u>(934,171)</u>	<u>112,152</u>	<u>50,284,626</u>
Restricted pension funds					
Pension Scheme Liability	<u>(537,000)</u>	<u>(5,993,000)</u>	<u>(772,000)</u>	<u>1,499,000</u>	<u>(5,803,000)</u>
Total restricted funds	<u>3,046,011</u>	<u>56,548,350</u>	<u>(16,446,478)</u>	<u>1,499,000</u>	<u>44,646,883</u>
Unrestricted funds					
Unrestricted general funds	246,905	544,070	(108,138)	2,409,748	3,092,585
Transfer of Unrestricted General Funds of existing academies into the Trust	-	2,409,748	-	(2,409,748)	-
Total unrestricted funds	<u>246,905</u>	<u>2,953,818</u>	<u>(108,138)</u>	<u>-</u>	<u>3,092,585</u>
Total funds	<u>3,292,916</u>	<u>59,502,168</u>	<u>(16,554,616)</u>	<u>1,499,000</u>	<u>47,739,468</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	178,495	995,950	(1,017,169)	-	157,276
Other ESFA grants	-	17,993	(17,993)	-	-
UIFSM	-	24,472	(24,472)	-	-
Pupil premium	-	157,001	(157,001)	-	-
SEN & early years funding	-	96,823	(96,823)	-	-
	<u>178,495</u>	<u>1,292,239</u>	<u>(1,313,458)</u>	<u>-</u>	<u>157,276</u>
Restricted fixed asset funds					
Capital grants and expenditure from GAG	8,476	6,644	(3,242)	-	11,878
Donated Assets from Local Authority	<u>3,480,457</u>	<u>-</u>	<u>(66,600)</u>	<u>-</u>	<u>3,413,857</u>
	3,488,933	6,644	(69,842)	-	3,425,735
Restricted pension funds					
Pension Scheme Liability	<u>(517,000)</u>	<u>-</u>	<u>(34,000)</u>	<u>14,000</u>	<u>(537,000)</u>
Total restricted funds	3,150,428	1,298,883	(1,417,300)	14,000	3,046,011
Unrestricted funds					
Unrestricted general funds	<u>192,927</u>	<u>66,309</u>	<u>(12,331)</u>	<u>-</u>	<u>246,905</u>
Total funds	<u><u>3,343,355</u></u>	<u><u>1,365,192</u></u>	<u><u>(1,429,631)</u></u>	<u><u>14,000</u></u>	<u><u>3,292,916</u></u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	178,495	11,060,582	(10,978,938)	(94,882)	165,257
Other ESFA grants	-	199,427	(199,427)	-	-
UIFSM	-	256,298	(256,298)	-	-
Pupil premium	-	1,290,972	(1,290,972)	-	-
Start up grants	-	125,000	(107,730)	(17,270)	-
SEN & early years funding	-	2,873,822	(2,873,822)	-	-
Other non Government grants	-	20,000	(20,000)	-	-
Transfer of Restricted General Funds from existing academies into the Trust	-	326,578	(326,578)	-	-
	<u>178,495</u>	<u>16,152,679</u>	<u>(16,053,765)</u>	<u>(112,152)</u>	<u>165,257</u>
Restricted fixed asset funds					
Capital grants and expenditure from GAG	8,476	83,200	(20,115)	149,804	221,365
Capital grants on conversion	-	27,946	-	(27,946)	-
Donated Assets from Local Authority	3,480,457	21,913,387	(414,062)	-	24,979,782
Transfer of assets and unspent capital grants from existing academies into the Trust	-	25,663,021	(569,836)	(9,706)	25,083,479
	<u>3,488,933</u>	<u>47,687,554</u>	<u>(1,004,013)</u>	<u>112,152</u>	<u>50,284,626</u>
Restricted pension funds					
Pension Scheme Liability	<u>(517,000)</u>	<u>(5,993,000)</u>	<u>(806,000)</u>	<u>1,513,000</u>	<u>(5,803,000)</u>
Total restricted funds	<u>3,150,428</u>	<u>57,847,233</u>	<u>(17,863,778)</u>	<u>1,513,000</u>	<u>44,646,883</u>
Unrestricted funds					
Unrestricted general funds	192,927	610,379	(120,469)	2,409,748	3,092,585
Other unrestricted funds	-	2,409,748	-	(2,409,748)	-
Total unrestricted funds	<u>192,927</u>	<u>3,020,127</u>	<u>(120,469)</u>	<u>-</u>	<u>3,092,585</u>
Total funds	<u>3,343,355</u>	<u>60,867,360</u>	<u>(17,984,247)</u>	<u>1,513,000</u>	<u>47,739,468</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Local Authority Statement funding is provided for the provision of services for children with special educational needs and is included within other DfE grants.

Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year, this is included within other DfE grants.

Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

Restricted General Funds are made up of various revenue grants which are defrayed throughout the year on specific educational needs. The academy trust was not subject to a limit on GAG carry forward.

Restricted Fixed Asset Funds represent reserves of the charity that are specifically designated for capital. Inherited assets are principally the land and buildings from the former school.

Restricted Pension Funds represent the LGPS pension deficit.

Restricted Fixed Asset Funds had an in year deficit of £112,152. A transfer of £112,152 has been made from from Restricted General Funds into Restricted Fixed Asset Funds to cover this deficit.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	2018	2017
	£	£
Adelaide Primary School	307,412	-
Broadacre Primary School	398,845	-
Christopher Pickering Primary School	375,830	-
Clifton Primary School	284,633	-
Ganton School	713,937	-
Maybury Primary School	339,850	404,181
Neasden Primary School	252,788	-
Parkstone Primary School	361,574	-
St Nicholas Primary School	6,550	-
Woodland Primary School	139,757	-
Central services	76,666	-
Total before fixed assets and pension reserve	3,257,842	404,181
Capital grants and expenditure from GAG	50,284,626	3,425,735
Pension Scheme Liability	(5,803,000)	(537,000)
Total	47,739,468	3,292,916

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year, including central service contributions of £395,294 was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2018 £	Total 2017 £
Adelaide Primary School	990,331	226,322	60,239	234,110	1,511,002	-
Broadacre Primary School	392,518	71,612	13,527	125,199	602,856	-
Christopher Pickering Primary School	1,535,130	339,932	86,744	503,686	2,465,492	-
Clifton Primary School	962,064	193,439	69,633	258,139	1,483,275	-
Ganton School	2,902,188	475,840	110,266	467,493	3,955,787	-
Maybury Primary School	885,751	183,796	110,669	267,489	1,447,705	1,359,789
Neasden Primary School	697,929	201,245	86,573	219,458	1,205,205	-
Parkstone Primary School	647,385	114,333	37,595	187,261	986,574	-
St Nicholas Primary School	646,662	148,857	57,494	258,886	1,111,899	-
Woodland Primary School	458,614	134,749	33,330	116,227	742,920	-
Central services	246,499	-	-	256,525	503,024	-
Academy Trust	<u>10,365,071</u>	<u>2,090,125</u>	<u>666,070</u>	<u>2,894,473</u>	<u>16,015,739</u>	<u>1,359,789</u>

16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	50,228,050	50,228,050
Current assets	3,092,585	1,494,678	56,576	4,643,839
Current liabilities	-	(1,329,421)	-	(1,329,421)
Pension scheme liability	-	(5,803,000)	-	(5,803,000)
Total net assets	<u>3,092,585</u>	<u>(5,637,743)</u>	<u>50,284,626</u>	<u>47,739,468</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Analysis of net assets between funds (continued)

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,420,671	3,420,671
Current assets	246,905	476,908	5,064	728,877
Current liabilities	-	(319,632)	-	(319,632)
Pension scheme liability	-	(537,000)	-	(537,000)
Total net assets	246,905	(379,724)	3,425,735	3,292,916

17 Capital commitments

	2018 £
Contracted for, but not provided in the financial statements	<u>50,000</u>

18 Commitments under operating leases

Operating leases

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

	2018 £	2017 £
Amounts due within one year	30,742	11,212
Amounts due between one and five years	<u>26,746</u>	<u>1,930</u>
	<u>57,488</u>	<u>13,142</u>

19 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2018 £	2017 £
Net income/(expenditure)	42,947,552	(64,439)
Depreciation	934,171	69,842
Cash transferred on conversions to the trust/on existing academies joining the trust	3,116,809	-
Donated capital and capital grants	(76,556)	(6,644)
Interest receivable	(1,762)	-
FRS 102 net interest on defined benefit pension scheme	153,000	11,000
FRS 102 cost less contributions payable on defined benefit pension scheme	619,000	23,000
Increase in debtors	(601,031)	(186,463)
Increase in creditors	1,009,789	158,309
Inherited Pension	<u>5,993,000</u>	<u>-</u>
Net cash inflow from operating activities	<u>54,093,972</u>	<u>4,605</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

20 Cash flows from investing activities

	2018 £	2017 £
Purchase of tangible fixed assets	(174,848)	(1,580)
Capital grants from DfE	76,556	6,644
Inherited Assets	<u>(47,566,702)</u>	<u>-</u>
Net cash (outflow)/inflow from capital expenditure and financial investment	<u>(47,664,994)</u>	<u>5,064</u>

21 Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>3,802,481</u>	<u>488,550</u>
Total cash and cash equivalents	<u>3,802,481</u>	<u>488,550</u>

22 Contingent liabilities

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

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

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

23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

24 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £238,540 (2017 - £20,178) were payable to the schemes at 31 August and are included within creditors.

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 pension costs paid to TPS in the period amounted to £764,593 (2016 - £72,247).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,201,000 (2017 - £99,000), of which employer's contributions totalled £976,000 (2017 - £83,000) and employees' contributions totalled £225,000 (2017 - £16,000). The agreed average contribution rates for future years are 24.1 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2018 %	At 31 August 2017 %
Rate of increase in salaries	2.50	2.60
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	2.80	2.50

Sensitivity analysis

	At 31 August 2018 £	At 31 August 2017 £
Discount rate -0.5%	1,877,000	159,000
Salary rate +0.5%	361,000	45,000
Pension rate +0.5%	1,489,000	110,000
Mortality assumption - 1 year increase	559,000	47,000

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

	2018	2017
Retiring today		
Males retiring today	21.70	21.70
Females retiring today	24.20	24.20
Retiring in 20 years		
Males retiring in 20 years	23.70	23.70
Females retiring in 20 years	26.40	26.40

The actual return on scheme assets was £445,000 (2017 - £86,000).

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

	2018 £	2017 £
Equities	5,879,000	456,000
Other bonds	1,061,000	83,000
Property	979,000	71,000
Cash and other liquid assets	246,000	32,000
Total market value of assets	8,165,000	642,000

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost (net of employer contributions)	619,000	23,000
Net interest cost	153,000	11,000
Total operating charge	772,000	34,000

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

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

	2017/18	2016/17
	£	£
At start of period	1,179,000	989,000
Conversion of academy trusts	4,490,000	-
Transferred in on existing academies joining the trust	7,450,000	-
Current service cost	1,573,000	106,000
Interest cost	311,000	22,000
Employee contributions	225,000	16,000
Actuarial (gain)/loss	(1,212,000)	61,000
Benefits paid	(70,000)	(15,000)
Past service cost	22,000	-
	<u>13,968,000</u>	<u>1,179,000</u>
At 31 August	<u>13,968,000</u>	<u>1,179,000</u>

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

	2018	2017
	£	£
At 1 September	642,000	472,000
Conversion of academy trusts	2,485,000	-
Transferred in on existing academies joining the trust	3,462,000	-
Interest income	158,000	11,000
Actuarial gains	287,000	75,000
Employer contributions	976,000	83,000
Employee contributions	225,000	16,000
Benefits paid	(70,000)	(15,000)
	<u>8,165,000</u>	<u>642,000</u>
At 31 August	<u>8,165,000</u>	<u>642,000</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Related party transactions

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

Expenditure related party transactions

During the year the academy made the following related party transactions:

Horizon Academy Trust

(C Purdue (CFO of Horizon Academy Trust) was also acting CFO for Humber Education Trust until 31 December 2017.)

During the period the Trust purchased CFO services, finance support and admin and curriculum support of £10,395 (2017: £nil).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

The element above £2,500 has been provided 'at no more than cost' and Horizon Academy Trust has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Horizon Academy Trust was £Nil (2017 - £Nil).

Keystone MIS Limited

(A company in which R Morrell (who was a Trustee of Humber Education Trust until 6 February 2018) is a director)

During the period the Trust purchases services amounting to £1,050 (2017: £nil).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

At the balance sheet date the amount due to Keystone MIS Limited was £Nil (2017 - £Nil).

Income related party transactions

During the year the academy made the following related party transactions:

Horizon Academy Trust

(C Purdue (CFO of Horizon Academy Trust) was also acting CFO for Humber Education Trust until 31 December 2017.)

During the period the Trust provided HR services to Horizon Academy Trust amounting to £4,428.

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Transfer of existing academies into the Trust

Christopher Pickering Primary School

	Value reported by transferring academy trust £	Transfer in recognised £
Tangible fixed assets		
Leasehold land and buildings	7,952,283	7,952,283
Leasehold improvements	72,256	72,256
Furniture and equipment	14,241	14,241
Computer equipment	5,071	5,071
	8,043,851	8,043,851
Other assets		
Debtors due in less than one year	112,692	112,692
Cash in bank and in hand	627,655	627,655
	740,347	740,347
Liabilities		
Creditors due in less than one year	(202,144)	(202,144)
Pensions		
Pensions – pension scheme liabilities	(1,272,000)	(1,272,000)
Net assets	7,310,054	7,310,054

Ganton School

	Value reported by transferring academy trust £	Transfer in recognised £
Tangible fixed assets		
Leasehold land and buildings	11,027,792	11,027,792
Furniture and equipment	2,104	2,104
Computer equipment	163	163
Motor vehicles	15,583	15,583
	11,045,642	11,045,642
Other assets		
Debtors due in less than one year	63,812	63,812
Cash in bank and in hand	875,905	875,905
	939,717	939,717
Liabilities		
Creditors due in less than one year	(247,468)	(247,468)

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Transfer of existing academies into the Trust (continued)

	Value reported by transferring academy trust £	Transfer in recognised £
Pensions		
Pensions – pension scheme liabilities	<u>(1,675,000)</u>	<u>(1,675,000)</u>
Net assets	<u>10,062,891</u>	<u>10,062,891</u>
 Neasden Primary School		
	Value reported by transferring academy trust £	Transfer in recognised £
Tangible fixed assets		
Leasehold land and buildings	4,430,303	4,439,691
Leasehold improvements	79,102	69,714
Furniture and equipment	59,000	59,000
Computer equipment	<u>25,735</u>	<u>25,735</u>
	<u>4,594,140</u>	<u>4,594,140</u>
Other assets		
Debtors due in less than one year	51,054	51,054
Cash in bank and in hand	<u>223,210</u>	<u>223,210</u>
	274,264	274,264
Liabilities		
Creditors due in less than one year	(102,774)	(102,774)
Pensions		
Pensions – pension scheme liabilities	<u>(365,000)</u>	<u>(365,000)</u>
Net assets	<u>4,400,630</u>	<u>4,400,630</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Transfer of existing academies into the Trust (continued)

St Nicholas Primary School

	Value reported by transferring academy trust £	Transfer in recognised £
Tangible fixed assets		
Leasehold land and buildings	1,938,411	1,938,411
Furniture and equipment	30,477	30,477
Computer equipment	793	793
	<u>1,969,681</u>	<u>1,969,681</u>
Other assets		
Debtors due in less than one year	41,882	41,882
Cash in bank and in hand	110,637	110,637
	<u>152,519</u>	<u>152,519</u>
Liabilities		
Creditors due in less than one year	(113,809)	(113,809)
Pensions		
Pensions – pension scheme liabilities	(676,000)	(676,000)
Net assets	<u>1,332,391</u>	<u>1,332,391</u>

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

27 Conversion to an academy trust

On 1 January 2018 the **Adelaide Primary School** converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Humber Education Trust from the Hull City Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	5,681,549	5,681,549
On LA funds	285,774	-	-	285,774
LGPS pension surplus/(deficit)	-	(558,000)	-	(558,000)
Net assets	<u>285,774</u>	<u>(558,000)</u>	<u>5,681,549</u>	<u>5,409,323</u>

The above net assets include £269,798 that were transferred as cash.

On 1 April 2018 the **Broadacre Primary School** converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Humber Education Trust from the Hull City Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	3,689,768	3,689,768
Other tangible fixed assets	-	-	8,918	8,918
On LA funds	292,994	-	-	292,994
LGPS pension surplus/(deficit)	-	(477,000)	-	(477,000)
Net assets	<u>292,994</u>	<u>(477,000)</u>	<u>3,698,686</u>	<u>3,514,680</u>

The above net assets include £268,316 that were transferred as cash.

Humber Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

27 Conversion to an academy trust (continued)

On 1 November 2017 the **Clifton Primary School** converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Humber Education Trust from the Hull City Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	4,451,817	4,451,817
Other tangible fixed assets	-	-	13,428	13,428
On LA funds	260,508	-	27,946	288,454
LGPS pension surplus/(deficit)	-	(433,000)	-	(433,000)
Net assets	<u>260,508</u>	<u>(433,000)</u>	<u>4,493,191</u>	<u>4,320,699</u>

The above net assets include £291,236 that were transferred as cash.

On 1 January 2018 the **Parkstone Primary School** converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Humber Education Trust from the Hull City Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	4,082,972	4,082,972
On LA funds	342,189	-	-	342,189
LGPS pension surplus/(deficit)	-	(254,000)	-	(254,000)
Net assets	<u>342,189</u>	<u>(254,000)</u>	<u>4,082,972</u>	<u>4,171,161</u>

The above net assets include £330,694 that were transferred as cash.

On 1 January 2018 the **Woodland Primary School** converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Humber Education Trust from the Hull City Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.