

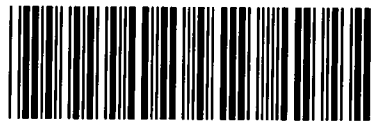
# Humber Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

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COMPANIES HOUSE

Forrester Boyd Robson Limited  
Kingfisher Court  
Plaxton Bridge Road  
Woodmansey  
Beverley  
HU17 0RT

# **Humber Education Trust**

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# Humber Education Trust

## Reference and administrative details

<b>Members</b>	G Brook L Hider (resigned 19 September 2021) J Campbell S Des Forges G Gibbons
<b>Chief Executive Officer</b>	R Wilkes
<b>Governors and Trustees (Directors)</b>	G Brook, (Chair) (i) (ii - reserve) P Brown, (ii) G Barley, (i) R Wilkes, (i) (ii) S Hinchcliffe, (i) K Sainty D Wrapson, (i) R Davies J Moxon, (ii) (appointed 1 January 2022) R Oxborough, (i) (appointed 16 February 2022) D Potter (appointed 7 March 2022)

(i) members of the Finance and Resources Committee

(ii) members of the Audit Committee

## **Humber Education Trust**

### **Reference and administrative details (continued)**

<b>Central Management Team</b>	R Wilkes, Chief Executive Officer N Siddle, Chief Financial and Operating Officer P Plumridge, Deputy Chief Executive Officer / Strategic School and Improvement Lead
<b>Principal and Registered Office</b>	Bude Park Primary School Cookbury Close Bransholme Hull HU7 4EY
<b>Company Registration Number</b>	08682547
<b>Auditors</b>	Forrester Boyd Robson Limited Kingfisher Court Plaxton Bridge Road Woodmansey Beverley HU17 0RT
<b>Bankers</b>	Lloyds Bank Plc 1 Grand Buildings Jameson Street Hull HU1 3JX
<b>Solicitors</b>	Browne Jacobson PLC Mowbray House Castle Meadow Road Nottingham NG2 1BJ

# **Humber Education Trust**

## **Trustees' report for the Year Ended 31 August 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The Trust provides education for 5,059 pupils in Hull and Grimsby.

### **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 sixteen academies during the year as follows:

- Adelaide Primary School
- Broadacre Primary School
- Bude Park Primary School
- Cambridge Park Academy (Special)
- Christopher Pickering Primary School
- Clifton Primary School
- Frederick Holmes School (Special)
- Ganton School (Special)
- Highlands Primary School
- Kingswood Parks Primary School
- Maybury Primary School
- Neasden Primary School
- Parkstone Primary School
- St Nicholas Primary School
- Tweendykes School & Sixth Form (Special)
- 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 2022 (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 Trustee & Governor Code of Conduct.

Ongoing training is provided via e-learning and delivered through the pre-agreed meetings throughout the year. An annual visioning day was held in Summer 2022 for the first time and is planned to be a scheduled event going forward. This year the day involved a full review of the terms of reference for each committee, local governing bodies and the full Trust board as well as the Scheme of Delegation and governor/Trustee training. Trust growth was discussed at length.

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 CEO and 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.

#### ***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.

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### **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 Deputy CEO and the Chief Finance & Operations Officer. Central services are provided by the central management team including the CEO, Deputy CEO, Strategic School Improvement Partner, Strategic SEND Lead and the Chief Financial and Operating Officer.

The Trustees have operated three committees for 2021/22:

- Curriculum & Standards
- Finance & General Purposes
- Audit & Risk

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, Unite and GMB and is purchased through a pooled budget arrangement. Humber Education Trust is not the employer of the 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 2021 – 2022.

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 2022 (continued)**

#### ***Engagement with employees (including disabled persons)***

Humber Education Trust follows the principle that all changes affecting staff, children and families involve due process in order 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.

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.

#### ***Engagement with suppliers, customers and others in a business relationship with the trust***

The Trust continues to develop its relationships with key suppliers. The Trust maintains a list of contracts in our Every System, with a full list of suppliers in our Financial system. Communication has increased with the use of Teams.

It is important that our business relationships are beneficial to both sides and lines of communication are maintained to maximise the value to the organisation. Time spent with suppliers can help to increase the use of their service whilst ensuring, for example, that purchased software is further developed for the advantage of the Trust.

The local community is a beneficiary of the Trust, please refer to the Public Benefit section of the Trustee Report on page 8 for more details.

#### **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 a fulfilling, independent future life.



## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***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.

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 necessary challenge 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 education for all.

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***Public benefit***

As an 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 16 academies serving over 5,000 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.

#### **Strategic Report**

##### **Achievements and performance**

All schools in the Trust worked incredibly hard to provide a blended education offer to pupils over the course of the last academic year as was necessitated by national lockdowns as a result of the Covid-19 pandemic. Schools provided a range of home learning, live and pre-recorded online learning and classroom teaching to all pupils. Robust tracking and gap analysis assessments were undertaken throughout the year to ensure that all pupils continued to make good progress in line with their individual targets. A wide range of interventions were implemented to support pupils where gaps in learning were identified.

##### **Ofsted Inspections this year:**

5 schools in the Trust were inspected by Ofsted during the academic year 2021-2022. All schools maintained or improved their judgements.

Clifton Primary School - Outstanding (December 2021)

Woodland Primary School - Good (April 2022)

Parkstone Primary School - Good (May 2022)

Adelaide Primary School - Good (June 2022)

Tweendykes School & Sixth Form - Outstanding (June 2022)

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### **Pupil numbers - Census January 2022 (excluding Nursery)**

<b>School</b>	<b>Number on Roll</b>
Adelaide Primary School	474
Broadacre Primary School	494
Bude Park Primary School	239
Cambridge Park Academy	219
Christopher Pickering Primary School	453
Clifton Primary School	354
Frederick Holmes School	107
Ganton School	173
Highlands Primary School	460
Kingswood Parks Primary School	664
Maybury Primary School	237
Neasden Primary School	282
Parkstone Primary School	336
St Nicholas Primary School	206
Tweendykes School	168
Woodland Primary School	202

#### **Key performance indicators**

Humber Education Trust has identified a range of characteristics and metrics in order to provide schools with both external and internal benchmarking data. This analysis will be revised every Spring term using a variety of national tools and data sets:

- Schools Resource Management Benchmarking return (ESFA)
- ISOT toolkit (ISBL)
- View My Financial Insights toolkit (DfE)

School data sources:

- Class Staffing analysis (Special Schools)
- Teacher Matrix (All Schools)
- HCSS KPIs and balances – using actual not lagged pupil numbers

The Trust uses the following financial KPIs:

- Average Teacher Cost
- Leadership Costs as a % Of Total Teaching Costs
- Total Staff Costs: Total Income
- Teaching as % Total Income
- Classroom Support as % Of Total Income
- Total Staff Costs Per Pupil
- Total Teacher Cost Per Pupil
- Total Classroom Support Per Pupil
- Non Staff Costs Per Pupil
- Premises Costs Per Pupil
- Educational Resources (including ICT) Per Pupil

# Humber Education Trust

## Trustees' report for the Year Ended 31 August 2022 (continued)

	Finance % In Year Spend	Finance % In Year Spend	Finance % In Year Spend	Cumulative reserve %	2022/2023	2022/2023	2022/2023	Finance % In Year Spend	Cumulative reserve %
	2021/2022	2022/23 BFR approved	2022/23 Autumn 22 review	2022/2023	Teacher /pupil ratio	Staff/ pupil ratio	% Staff cost income	2023/2024	2023/2024
<b>Adelaide Primary</b>	107	97	117	17	1:22	1:9	74%	102	15
<b>Broadacre Primary</b>	98	103	113	24	1:20	1:10	76%	104	22.5
<b>Bude Park Primary</b>	98	101	112	18	1:17	1:8	80%	105	12.9
<b>Christopher Pickering Primary</b>	99	101	101	5	1:19	1:8	80%	102	2.9
<b>Clifton Primary</b>	99	98	104	13	1:19	1:8	78%	102	11.6
<b>Highlands Primary</b>	107	107	120	31	1:15	1:7	76%	107	26.1
<b>Kingswood Parks Primary</b>	102	99	116	15	1:23	1:10	76%	102	13.4
<b>Maybury Primary</b>	99	103	104	21	1:17	1:8	78%	103	18.1
<b>Neasden Primary</b>	102	93	106	30	1:19	1:9	79%	97	32.4
<b>Parkstone Primary</b>	98	98	110	22	1:21	1:10	77%	102	20.4
<b>St Nicholas Primary</b>	99	98	102	16	1:24	1:10	74%	102	14.5
<b>Woodland Primary</b>	102	102	106	19	1:18	1:7	83%	106	13.9
<b>Cambridge Park</b>	98	96	101	18	1:8	1:1.8	82%	98	20
<b>Ganton School</b>	101	101	104	20	1:7	1:2	83%	105	15
<b>Frederick Holmes School</b>	99	98	106	9	1:7	1:1.4	85%	100	8.6
<b>Tweendykes School</b>	97	99	101	18	1:7	1:1.5	88%	105	13

## Humber Education Trust

### Trustees' report for the Year Ended 31 August 2022 (continued)

The budget forecast for 2022/23 has been reset since the submission of the July 2022 BFR. This was following the unprecedented pay award agreed over the summer for both Teachers and NJC staff. The overall impact on the original consolidated budget approved by Trustees in July 2022 was £1.14million in year. This also considered the NI % reversal on 6th November 2022. As such the Trustees wanted a full budget review and have agreed to set this as the opening position for 2022/23. The KPIs above reflect the restated position.

Reserve designation has been maintained for 2022/23 and as such the in-year position for all schools is deficit. The added impact of pay award and April to August back pay for NJC staff compounds this. Reserve plans will be reviewed next summer and will be subject to 2023/24 GAG funding and the ongoing effect of the increased staff costs, subsequent pay awards and the ongoing instability of energy markets. The Trust will also see an increase in Catering costs from January 2023 which have been subject to NJC pay awards and significant increases in food costs.

#### Academic performance indicators

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

School	% achieving GLD
<b>National outcome</b>	<b>65%</b>
Adelaide Primary School	57%
Broadacre Primary School	75%
Bude Park Primary School	66%
Clifton Primary School	62%
Christopher Pickering Primary School	73%
Highlands Primary School	56%
Kingswood Parks Primary School	79%
Maybury Primary School	61%
Neasden Primary School	64%
Parkstone Primary School	74%
St Nicholas Primary School	70%
Woodland Primary School	57%
<b>HET Aggregate</b>	<b>68%</b>

## Humber Education Trust

### Trustees' report for the Year Ended 31 August 2022 (continued)

#### Year 1 Phonics Screening Check

School	% PSC Pass in Y1	% PSC Pass by the end of KS1
<b>National Outcome</b>	<b>75%</b>	<b>87%</b>
Adelaide Primary School	76%	89%
Broadacre Primary School	74%	90%
Bude Park Primary School	78%	96%
Clifton Primary School	80%	94%
Christopher Pickering Primary School	81%	98%
Highlands Primary School	79%	92%
Kingswood Parks Primary School	80%	93%
Maybury Primary School	79%	87%
Neasden Primary School	67%	81%
Parkstone Primary School	89%	98%
St Nicholas Primary School	78%	94%
Woodland Primary School	70%	88%
<b>HET Aggregate</b>	<b>78%</b>	<b>92%</b>

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

School	Reading	Writing	Maths	RWM Combined
<b>National Outcome</b>	<b>67%</b>	<b>58%</b>	<b>68%</b>	<b>53%</b>
Adelaide Primary School	65%	61%	65%	60%
Broadacre Primary School	73%	73%	75%	66%
Bude Park Primary School	73%	69%	65%	62%
Clifton Primary School	76%	71%	79%	71%
Christopher Pickering Primary School	72%	70%	76%	70%
Highlands Primary School	72%	65%	75%	65%
Kingswood Parks Primary School	80%	75%	80%	74%
Maybury Primary School	70%	63%	73%	63%
Neasden Primary School	73%	69%	69%	69%
Parkstone Primary School	74%	69%	79%	69%
St Nicholas Primary School	71%	65%	71%	65%
Woodland Primary School	72%	60%	60%	56%
<b>HET Aggregate</b>	<b>73%</b>	<b>69%</b>	<b>74%</b>	<b>67%</b>

## Humber Education Trust

### Trustees' report for the Year Ended 31 August 2022 (continued)

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

School	Reading	Writing	Maths	RWM Combined
<b>National Outcome</b>	<b>74%</b>	<b>69%</b>	<b>71%</b>	<b>59%</b>
Adelaide Primary School	73%	78%	73%	64%
Broadacre Primary School	66%	74%	58%	51%
Bude Park Primary School	46%	63%	42%	29%
Clifton Primary School	86%	76%	88%	74%
Christopher Pickering Primary School	78%	78%	81%	72%
Highlands Primary School	93%	79%	90%	76%
Kingswood Parks Primary School	84%	81%	83%	79%
Maybury Primary School	82%	75%	82%	75%
Neasden Primary School	90%	87%	90%	87%
Parkstone Primary School	71%	78%	80%	63%
St Nicholas Primary School	90%	83%	90%	79%
Woodland Primary School	87%	67%	80%	63%
<b>HET Aggregate</b>	<b>79%</b>	<b>77%</b>	<b>79%</b>	<b>69%</b>

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***Going concern***

The Trustees consider that the Trust is a going concern. The 3 to 5 year forecasts for the Trust have been considered by the Board of Trustees and all academies (and Trust central) presented a balanced budget for the upcoming financial year 2022/23. The Trust is careful to include contingencies in their budgets, forecasting 3% on all staff pay when budgets were set in June 2022. All pension contributions are accurate and NI contributions will be in accordance with the revised rates for April 2022.

The forecasting will be reviewed over Autumn 2022 in line with the STRB Teachers pay proposals and projected pay for NJC staff. These have a consolidated impact of an additional £1.14 million in 2022/23, with future years being inflated by 3%. This is an ongoing concern and will be managed as part of this year's budget reviews. Reserves are such that there is no immediate risk, however future years will require careful budgeting in order for these inflation levels to be sustained. The Trust has agreed to apply these inflation rises subject to their national agreement. These updates will be reported to Trustees for scrutiny at our Autumn term Finance & General Purposes Committee meeting.

All staff performance increments are assumed year on year as appropriate. These are adjusted once finalised. The Trust will continue to review its service level agreements as they expire. Procurement on a Trust wide level often achieves better value for money and the Trust will consider all options upon renewal, identifying cost savings wherever possible. The Trust operates effectively within its Finance regulations and Scheme of Delegation ensuring that no unnecessary expenditure is incurred. Energy costs have already been forecasted across all 5 years at increased rates in line with our inflated contract prices.

All spending is reviewed on an in year basis with rationales required for in year balances be it surplus or deficit. The Trust is looking at use of reserves and how it can ensure they are used to the best effect and for the good of the wider Trust. Strategies will be applied to ensure this is the case. For example, around estates management and deployment of funds for site safety and improvement.

Schools provide good outcomes for pupils, with any schools requiring central team/specialist support having this incorporated into their short and medium term planning and reflected in central and/or school budgets appropriately. The Trust improvement plan is fully costed and deliverable. This is reviewed termly at board meetings and relevant committee meetings. Again this can be clearly evidenced in our meeting minutes. Trustees offer significant challenge to support their assurance.

Working budgets are maintained and updated monthly by all academies. Any variances are investigated as they arise and monthly management accounts are shared with all Trustees via our Trustees Microsoft Teams area. Open dialogue is maintained with the Chair of Governors. The Trust as a whole has built up a substantial level of reserves which is deemed sufficient to cover the financial risk for a period of time. We have excess reserves at this time. Schools have identified use of reserves and will be held to account by the Trust on progressing this. The Trust has set thresholds against the release of School Conditions Allocation funding, encouraging use of school balances where reserves exceed the policy maximum of 15%. This also assists with future strategic planning and decision making and is designed to restrict the impact of any risk upon the continuing operations of the Trust. The Trust is in a very healthy consolidated cash position. Individual schools are also in a healthy cash position.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.



## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***Promoting the success of Humber Education Trust***

Humber Education Trust is a successful Trust and we collectively strive to ensure that children in our schools not only leave with the skills and attributes that they need for the next stage in the learning journey, but that they also leave with great memories of their learning with us. All of the schools that have had an Ofsted inspection whilst part of the Trust, have been judged to be good or outstanding providers. The results of our primary schools have ensured we are one of the best performing Trusts in the country, including for those pupils who are disadvantaged. We consider one of our greatest strengths to be our moral duty to removing barriers to learning for children from disadvantaged backgrounds. Our ethos, culture and reputation ensure that our schools remain popular and that children and families would recommend Humber Education Trust schools to others. We attract and train the best staff and retention of staff is high. At Humber Education Trust we see all children as individuals and have inclusion at the heart of our commitment to our communities. Our special schools ensure that children with severe and complex learning needs receive the support they need.

#### **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 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2022 total expenditure of £47,878,342 was not covered by the recurrent grant funding from the DfE together with other incoming resources of £41,320,212 (excluding capital grants and donated assets). The excess of expenditure over income for the period was £6,558,130. This excess includes depreciation charges, accounting adjustments in relation to tangible fixed assets, of £2,247,389 and FRS 102 pension cost adjustments, in relation to the LGPS liability of £5,674,000. If the depreciation charges and FRS 102 pension cost adjustments were added back to the excess figure of £6,558,130, the Trust made a surplus of £1,363,259.

At 31 August 2022 the net book value of fixed assets was £89,004,272 and movements in tangible fixed assets are shown in note 12 to the financial statements. During the year there was a disposal of leasehold land and buildings with a loss on disposal of £3,416,045 which has been included in other gains and losses.

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 £5,453,000.

## Humber Education Trust

### Trustees' report for the Year Ended 31 August 2022 (continued)

#### **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 have determined that the appropriate level of reserves to be held for non-earmarked expenditure should equate to a minimum of 7% of total income (unrestricted and restricted) to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies. For schools with reserves that exceed 15% of total income (unrestricted and restricted), a rationale must be seen as to how these will be used and/or why retained.

A breakdown of the funds at 31 August 2022 is as follows:-

	£
Restricted general fund	4,352,649
Restricted fixed asset fund	89,907,658
Restricted pension fund	(5,453,000)
Unrestricted general fund	5,930,474
	<u>94,737,781</u>

#### **Investment policy**

The Trustees agree all investments made by the Academy Trust. The Academy Trust opened a 30-day notice deposit account in December 2019. Additional funds were deposited into the account in May 2021. 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 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.

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

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***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 Humber Education Trust package helping to achieve this. The Trust uses budgeting software (IMP) 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 opportunities to generate income.

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.

# Humber Education Trust

## Trustees' report for the Year Ended 31 August 2022 (continued)

### Streamlined Energy and Carbon Reporting

#### UK energy use and associated greenhouse gas emissions

The Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

#### Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes all 16 schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet).

#### Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

#### UK Greenhouse gas emissions and energy use data for the period 01 September 2021 to 31 August 2022

	2022	2021
Energy consumption used to calculate emissions (kWh)	7,852,399	7,481,736
<b>Energy consumption break down (kWh)</b>		
Gas	5,120,079	4,668,225
Electricity	2,457,206	2,290,945
Transport fuel	56,624	51,114
Biomass	212,998	471,452
Consumed electricity from on-site renewable sources	5,492	-
<b>Scope 1 emissions in metric tonnes CO2e</b>		
Trust owned vehicles - mini-buses	6.50	8.20
Gas consumption	934.60	855.00
Biomass (N <sub>2</sub> O & CH <sub>4</sub> only emissions)	2.10	7.10
Total scope 1	943.20	870.30
<b>Scope 2 emissions in metric tonnes CO2e</b>		
Purchased electricity (location-based)	475.20	486.40
<b>Scope 3 emissions in metric tonnes CO2e</b>		
Transport - Business travel in employee owned vehicles	7.50	4.50
<b>Total gross emissions in metric tonnes CO2e</b>	<b>1425.90</b>	<b>1361.20</b>
<b>Intensity ratio</b>		
Tonnes CO2e per pupil	<b>0.29</b>	<b>0.28</b>
Tonnes CO2e per square meter floor area	<b>0.03</b>	<b>0.03</b>

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### **Quantification and Reporting Methodology:**

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas and biomass consumption were compiled from invoice records. Where invoices did not cover the reporting year, estimation techniques were applied. On site renewable solar photovoltaic electricity generation was compiled from invoice records, where exported data is measured and excluded. Minibus usage was determined from odometer mileage records, while employee-owned vehicle usage was taken from mileage claims. At two sites (Ganton School & Tweendykes), energy is shared with another school outside of the Trust, so has been apportioned by floor area. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

#### **Intensity measurement**

Two intensity ratios are reported showing emissions (tCO<sub>2</sub>e) per pupil and per square meter floor area.

Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2021 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions. Floor area is calculated as Gross Internal Area and taken predominantly from Display Energy Certificates.

#### **Measures taken to improve energy efficiency**

During the reporting year, the Trust has commissioned Briar to produce a Heat Decarbonisation Plan. The purpose of the plan is to highlight the current carbon footprint associated with the Trust's buildings and to outline a strategy the Trust can implement to reach a net zero carbon future.

The plan forecasts that Trust emissions could reduce by 44.8% by 2051. The key measures the plan identifies that would lead to this reduction are:

- Installing low carbon heating (primarily Air-Sourced Heat Pumps)
- Building fabric improvements to reduce heat loss
- LED lighting
- Some Solar installations
- Hot water de-carbonisation

## Humber Education Trust

### Trustees' report for the Year Ended 31 August 2022 (continued)

#### Plans for future periods

Humber Education Trust is an established Trust as defined by the DfE.

The Trust has also been successful in the application for a Special Free School to open in 2023. This has now been deferred until 2025. Work will continue across 2022/23 on the development of this project.

Bursar Primary Academy from Cleethorpes will be transferring into the Trust in April 2023. The Trust will be reviewing the central team capacity over 2022/23 to ensure it is prepared for further schools. The central offices have relocated into a larger location and plans for the growth of the Trust and the expansion of the central team have already been considered. Should more schools wish to join the Trust, the business model is now set ready to expand and support them effectively.

Broadacre Primary moved into a newly built school in Spring 2022. The site includes an Autism Spectrum Condition Resource base. Cambridge Park completed a CIF funded extension in October 2021, replacing old mobile classrooms with a new classroom block of 8 classrooms and a multi-use space.

New postholders joined the central team in 2021/22, including a Finance & Contracts Manager, Recruitment and Marketing Manager, Estates and Site Compliance Manager and an Estates Administrator. The ICT Support team is expanding in 2022/23 as the final schools transfer to the Trust ICT support service.

#### Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the board of trustees on 8 December 2022 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, 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	4	4
G Brook	4	4
P Brown	4	4
R Davies	4	4
J Moxon	1	2
K Sainty	4	4
S Hinchcliffe	3	4
R Wilkes	4	4
D Wrapson	4	4
R Oxborough	1	2
D Potter	1	2

### Conflicts of interest

Members, Trustees, and local governors of academies are required to complete a declaration of interest form annually, and, with an item included on every meeting agenda, of the need to declare any interests in agenda items, and to notify any changes in relation to business and pecuniary interests which had been acquired or relinquished since declaration of interest forms were last completed. The declaration form to be completed on an annual basis is circulated with guidance so that all Members, Trustees and Local governors are clear in their responsibilities under the Academy Trust Handbook, and their duty to declare any direct or indirect interest.

Making an annual declaration does not remove the requirement to make an oral disclosure of the interest, and temporarily leave the meeting where the interest is relevant to something being discussed. Any person who is present at a meeting of an Academy or the Trust Board must formally declare any interest they may have against any item that appears on the agenda. This relates to any contract, proposed contract or other matter that is being considered. The person must disclose the fact as soon as is practical at the meeting and take no part in the consideration or discussion of the contract or matter concerned. The person must withdraw from the meeting during consideration or discussion unless the board allows otherwise. In addition, the person cannot vote on any question with respect to the contract or matter being discussed.

## **Humber Education Trust**

### **Governance statement (continued)**

The minutes of the meeting will record the following:

- The nature of the conflict;
- Which Member, Trustee or local governor(s) it relates to;
- Whether a declaration was made in advance of the meeting;
- A brief overview of what was discussed;
- Whether the Member, trustee(s)/ local governor(s) withdrew from the meeting;
- How the trustees/governors made the decision in the best interests of the Trust/school.

#### **Effective oversight of funds**

Management accounts are produced monthly and accessible by a secure shared Trustee upload area. This includes a consolidated I&E account, consolidated budget v actuals report, balance sheet, cashbook detail report and cash flows. Also presented is the central services cash flow and budget v actuals report. All termly Trustee reporting is uploaded as well as BFR return summaries. Trust level tendering documentation is also available for viewing on the shared area. In 2020 the Trust upgraded to a centralised SAGE database which provides consolidated reporting at nominal level and Trustees with a more detailed Trust wide budget v actual position. Reports have been developed to enhance the reporting function and allow Trustees to benchmark actual spending across all Trust schools in one place. The Trust has newly purchased IMP forecasting software to be mobilised in September 2022, enabling greater control from the central finance team and streamlined reporting at school and Trust level. The software was specifically chosen for its integration with SAGE, removing the need for duplication of administrative tasks that had become extremely time consuming. Our finance systems are now fully centralised and MAT centred rather than school centred.

SCA funds are monitored separately and held in their own bank account. This ensures revenue cash flow can be overseen accurately and is not skewed with the presence of capital funds. A 5 year SCA plan is in place in order to address conditions effectively and will also be used for Decarbonisation projects over the forthcoming years. This work will begin in 2022/23. The Trust reported its use of SCA funding to the DfE for the first time in May 2022. Devolved Capital remains delegated to each school.

Reserve designation has been formalised with time measured plans submitted for each school whose cumulative reserve exceed the Trust maximum of 15%. Despite the significant pay award agreed by the DfE over the summer holiday period, the Trust has maintained the reserve plans for 2022 but will need to review these again next summer in light of budget pressures. The reserves will protect the Trust for 2022/23 and in most schools 2023/24. Unless funding increases in 2023/24, the schools will all need to consider staffing restructures before 2024/25. The Trust will continue to review budgets on a termly basis to ensure forecasts are secure and budgets do not run into cumulative deficits. The Trust will review its reserve policy annually and will consider reducing the maximum reserve threshold as appropriate.

In addition to our Board meetings the Trust has termly Finance Committee meetings and termly Audit Committee meetings. Financial reports are presented at Finance Committee meetings as well as the Trust Board meetings. This can be evidenced in the minutes.

When required, financial information is also presented to the Audit Committee. The risk register is presented here as well as all other compliance.

#### **Covid-19 impact**

Virtual Trustee meetings took place and business continued as usual. No meetings were missed or postponed.

Face to face meetings will resume in Autumn 2022.



## Humber Education Trust

### Governance statement (continued)

The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to monitor closely the financial performance of the Academy Trust 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
G Brook	3	3
S Hinchcliffe	2	3
R Wilkes	2	3
D Wrapson	3	3
R Oxborough	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
P Brown		
J Moxon	2	2
G Brook	1	1
R Wilkes		

#### 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:

- **Energy contracts** - the Trust Gas and Electric contracts came due for renewal in March 2022. Electric was only able to be procure for an initial 3-month period due to the instability of the energy market. It was re tendered again in June and then fixed until September 2024. Gas was procured for 1 year until March 2023. The Trust is also subject to the energy price cap until March 2023. Gas will be re-tendered in Spring 2023.
- **Trustwide e-learning** - the Trust has renegotiated the annual subscription to iHasco, enabling schools to flexibly access additional courses without any additional charge.
- **Budget Forecasting software** - the current software provider, Access Education is no longer fit for purpose. The marketplace has progressed since we procured this product in 2018 and become better equipped to manage MAT finance and consolidation. One such provider, IMP, integrates with our financial management software, SAGE 200. IMP has been developed specifically for MAT functionality and is built on one data set, rather than an aggregation of datasets. This reflects our upgrade 2 years ago with SAGE 200.

## Humber Education Trust

### Governance statement (continued)

- **Statutory Premises testing - in-house**

Legally written terms and conditions, containing strict KPIs have been developed in collaboration with our Legal Advisors, Browne Jacobson. These have been replicated for each cyclical, statutory service, check and test. The tendering and procurement process for Sept 2022 has commenced, to be completed by mid-July. Agreed contracts will be for 2 years' subjects to a successful 1st year review.

- **Decarbonisation surveys** - a tender was undertaken for the management of the surveys, ultimately approved as Briar Zenengi.

The decarbonisation plans were undertaken during summer 2022 and include the following for all schools:

- A Management Summary
- Background information
- Analysis of current use
- Review of HH profile
- A report of the energy survey findings and savings
- Considerations
- Recommendations

- **Payroll provider and HR software** - this procurement project will begin in September 2022 ready for the renewal of the Payroll contract in April 2023. It is hoped that a framework agreement can be obtained to bring Payroll in line with a HR Software provider.

#### **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 2022 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 ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

## **Humber Education Trust**

### **Governance statement (continued)**

#### **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;
- identification and management of risks.

The board of trustees has decided:

- to appoint SAAF Education Ltd to perform the internal audit function for the Trust. SAAF carried out internal audit work for six schools across the Trust during 2021/22.
- to appoint Rebecca Oxborough, Trustee, performed the internal audit of the central Trust.

This option has been chosen because we undertake as such to adhere to the appointment of auditors not related to our external auditor. The Trust central audit is undertaken by a suitable qualified accountant and is not chargeable. We only pay travel expenses for her time. This in our opinion is the best value option and enables Rebecca to provide direct assurance to the other Trustees.

SAAF are a national provider and are fully qualified accountants.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. In particular, the checks carried out in the current period included:

- testing of HR controls and payroll systems
- testing of purchase systems
- testing of banking controls
- testing of income controls
- testing of staff expenses and charge card expenses
- testing of reporting and other compliance matters

On a regular basis, the reviewer reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

#### **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 internal reviewer, 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.

Approved by order of the members of the board of trustees on 8 December 2022 and signed on its behalf by:

## Humber Education Trust

### Governance statement (continued)



G Brook  
Governor and trustee



R Wilkes  
Accounting officer  
Chief Executive Officer

## **Humber Education Trust**

### **Statement of 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 and 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 Trust Handbook 2021.

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 Trust Handbook 2021.

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

8 December 2022

## 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:

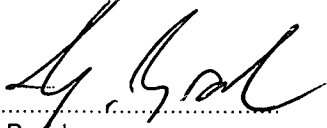
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

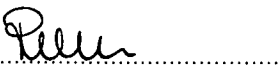
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have 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 8 December 2022 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 2022, which comprise the Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account), Balance Sheet as at 31 August 2022, Statement of Cash Flows for the year ended 31 August 2022, 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 2019 and the Academies Accounts Direction 2021 to 2022 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 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information (covers the Reference and administrative details, the Trustees' report and Strategic Report and the Governance statement)**

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. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. 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.

## **Humber Education Trust**

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

#### **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.

#### **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 28], 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:



## **Humber Education Trust**

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

Using our knowledge of the company and the industry in which it operates, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities SORP 2019, the Academy Trust Handbook 2021 to 2022 issued by the ESFA, the Academies Accounts Direction 2022 issued by the ESFA and UK Tax legislation. We assessed the susceptibility of the company's financial statements to material misstatement by considering the controls the company has established to address risks identified and how the directors monitor these controls and by evaluating the opportunity to commit fraud.

Our audit procedures included the following;

- testing management override controls including journal testing and reviewing accounting estimates for reasonableness
- enquiries of management and the company's solicitors of actual and potential litigation claims
- reviewing legal and professional fees for any potential litigation claims
- identification of key laws and regulations central to the academies operations and review of compliance with such laws including a review of the Academy Trust Handbook 2021
- enquiries of management including fraud and associated risks
- discussions with management, including consideration of known or suspected instances of non-compliance
- challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability
- testing focussing on the areas of the financial statements most susceptible to material error including completeness of income and review to ensure correct matching revenue and costs
- testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

## Humber Education Trust

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

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

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

#### 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Forrester Boyd Robson Limited*

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: *12/12/2021*

## **Humber Education Trust**

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

In accordance with the terms of our engagement letter dated 1 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 2021 to 31 August 2022 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 Assurance Report on Regularity to Humber Education Trust and the Education and Skills Funding Agency (continued)

*Forrester Boyd Robson Limited*

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: *12/12/2022*

## Humber Education Trust

### Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	87,340	-	11,847,472	11,934,812
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	40,202,552	-	40,202,552
Other trading activities	4	1,026,883	-	-	1,026,883
Investments	5	3,437	-	-	3,437
Total		1,117,660	40,202,552	11,847,472	53,167,684
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	253,265	44,889,930	2,735,147	47,878,342
Net income/(expenditure)		864,395	(4,687,378)	9,112,325	5,289,342
Transfers between funds		(217,475)	(452,696)	670,171	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	26	-	37,924,000	-	37,924,000
Profit/(loss) on disposal of fixed assets		-	-	(3,416,045)	(3,416,045)
Net movement in funds		646,920	32,783,926	6,366,451	39,797,297
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		5,283,554	(33,884,277)	83,541,207	54,940,484
Total funds/(deficit) carried forward at 31 August 2022		5,930,474	(1,100,351)	89,907,658	94,737,781

# Humber Education Trust

## Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

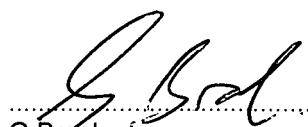
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	941,811	(2,405,977)	23,866,258	22,402,092
Other trading activities	4	721,642	-	-	721,642
Investments	5	2,027	-	-	2,027
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	38,000,946	-	38,000,946
Total		1,665,480	35,594,969	23,866,258	61,126,707
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	163,188	40,686,278	2,021,651	42,871,117
Net income/(expenditure)		1,502,292	(5,091,309)	21,844,607	18,255,590
Transfers between funds		(244,345)	71,787	172,558	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	26	-	(8,581,000)	-	(8,581,000)
Net movement in funds/(deficit)		1,257,947	(13,600,522)	22,017,165	9,674,590
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2020		4,025,607	(20,283,755)	61,524,042	45,265,894
Total funds/(deficit) carried forward at 31 August 2021		5,283,554	(33,884,277)	83,541,207	54,940,484

# Humber Education Trust

(Registration number: 08682547)  
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	89,004,272	82,457,996
<b>Current assets</b>			
Stocks	13	8,394	8,394
Debtors	14	1,077,924	1,260,193
Cash at bank and in hand		<u>14,149,378</u>	<u>11,808,238</u>
		15,235,696	13,076,825
Creditors: Amounts falling due within one year	15	<u>(4,049,187)</u>	<u>(2,891,337)</u>
Net current assets		<u>11,186,509</u>	<u>10,185,488</u>
Total assets less current liabilities		<u>100,190,781</u>	<u>92,643,484</u>
Net assets excluding pension liability		100,190,781	92,643,484
Pension scheme liability	26	<u>(5,453,000)</u>	<u>(37,703,000)</u>
Net assets including pension liability		<u>94,737,781</u>	<u>54,940,484</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		4,352,649	3,818,723
Restricted fixed asset fund		89,907,658	83,541,207
Pension Reserve		<u>(5,453,000)</u>	<u>(37,703,000)</u>
		88,807,307	49,656,930
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>5,930,474</u>	<u>5,283,554</u>
Total funds		<u>94,737,781</u>	<u>54,940,484</u>

The financial statements on pages 35 to 66 were approved by the Trustees, and authorised for issue on 8 December 2022 and signed on their behalf by:

  
G Brook  
Governor and trustee

## Humber Education Trust

### Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
Net cash inflow from operating activities	20	13,623,989	28,375,051
Cash transferred on conversions to the trust/on existing academies joining the trust		-	(2,245,759)
Returns on investments and servicing of finance	20	3,437	2,027
Cash flows from investing activities	21	<u>(11,286,286)</u>	<u>(21,552,969)</u>
Increase in cash in the year	22	<u>2,341,140</u>	<u>4,578,350</u>



# **Humber Education Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2022**

### **1 Accounting policies**

The multi academy trust is a private company limited by guarantee incorporated in England and Wales and the company registration number is 08682547.

The address of its registered office is:

Bude Park Primary School

Cookbury Close

Bransholme

Hull

HU7 4EY

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 2021 to 2022 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.

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Going concern

The Trustees consider that the Trust is a going concern. The 3 to 5 year forecasts for the Trust have been considered by the Board of Trustees and all academies (and Trust central) presented a balanced budget for the upcoming financial year 2022/23. The Trust is careful to include contingencies in their budgets, forecasting 3% on all staff pay when budgets were set in June 2022. All pension contributions are accurate and NI contributions will be in accordance with the revised rates for April 2022.

The forecasting will be reviewed over Autumn 2022 in line with the STRB Teachers pay proposals and projected pay for NJC staff. These have a consolidated impact of an additional £1.14 million in 2022/23, with future years being inflated by 3%. This is an ongoing concern and will be managed as part of this year's budget reviews. Reserves are such that there is no immediate risk, however future years will require careful budgeting in order for these inflation levels to be sustained. The Trust has agreed to apply these inflation rises subject to their national agreement. These updates will be reported to Trustees for scrutiny at our Autumn term Finance & General Purposes Committee meeting.

All staff performance increments are assumed year on year as appropriate. These are adjusted once finalised. The Trust will continue to review its service level agreements as they expire. Procurement on a Trust wide level often achieves better value for money and the Trust will consider all options upon renewal, identifying cost savings wherever possible. The Trust operates effectively within its Finance regulations and Scheme of Delegation ensuring that no unnecessary expenditure is incurred. Energy costs have already been forecasted across all 5 years at increased rates in line with our inflated contract prices.

All spending is reviewed on an in year basis with rationales required for in year balances be it surplus or deficit. The Trust is looking at use of reserves and how it can ensure they are used to the best effect and for the good of the wider Trust. Strategies will be applied to ensure this is the case. For example, around estates management and deployment of funds for site safety and improvement. Schools provide good outcomes for pupils, with any schools requiring central team/specialist support having this incorporated into their short and medium term planning and reflected in central and/or school budgets appropriately. The Trust improvement plan is fully costed and deliverable. This is reviewed termly at board meetings and relevant committee meetings. Again this can be clearly evidenced in our meeting minutes. Trustees offer significant challenge to support their assurance.

Working budgets are maintained and updated monthly by all academies. Any variances are investigated as they arise and monthly management accounts are shared with all Trustees via our Trustees Microsoft Teams area. Open dialogue is maintained with the Chair of Governors. The Trust as a whole has built up a substantial level of reserves which is deemed sufficient to cover the financial risk for a period of time. We have excess reserves at this time. Schools have identified use of reserves and will be held to account by the Trust on progressing this. The Trust has set thresholds against the release of School Conditions Allocation funding, encouraging use of school balances where reserves exceed the policy maximum of 15%. This also assists with future strategic planning and decision making and is designed to restrict the impact of any risk upon the continuing operations of the Trust. The Trust is in a very healthy consolidated cash position. Individual schools are also in a healthy cash position.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### 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.

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### ***Grants***

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

##### ***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 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 is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 1 Accounting policies (continued)

##### **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.

##### ***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.

##### **Redundancy/termination payments**

The redundancy/termination payments are recognised in the accounts when they are incurred. The redundancy/termination payments have been disclosed separately in the staff costs note within the notes to the accounts.

##### **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**

Leasehold Land  
Leasehold buildings  
Improvements to leasehold land and buildings  
Furniture & equipment  
IT equipment  
Motor vehicles

##### **Depreciation method and rate**

Straight line over 90-125 years  
Straight line over 50 years  
Straight line over 10-25 years  
Straight line over 3-5 years  
Straight line over 3-5 years  
Straight line over 5 years

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### 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.

#### Private finance initiative

The Tweendykes school building was built under a private finance initiative ("PFI") agreement by Kingston Upon Hull City Council.

When Tweendykes school converted to an academy the agreement was legally amended to take account of the change in circumstances. For the length of the agreement Kingston Upon Hull City Council undertake to fund the payments under the PFI agreement. The proportion of the cost that relates to the operation and maintenance of the building is charged to Tweendykes School by Kingston Upon Hull City Council on a monthly basis, and is re-calculated annually.

The expenditure incurred is included in the Statement of Financial Activities under 'Academy trust educational operations'.

The private finance liability remains with Kingston Upon Hull City Council and, therefore, the governors have decided to treat the payments to Kingston Upon Hull City Council as if they were made under an operating lease agreement.

#### Leased assets

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

#### Stock

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

#### 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 14. 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 15. 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.

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### **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 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 based on 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 net income/(expenditure) 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.

##### **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.

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### *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 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 £	2021/22 Total £	2020/21 Total £
Educational trips and visits	70,384	-	70,384	31,618
Capital grants	-	923,424	923,424	1,939,803
Transfer in of existing academies	-	-	-	20,178,823
Other donations	16,956	-	16,956	25,148
Donated fixed assets	-	10,924,048	10,924,048	226,700
	<u>87,340</u>	<u>11,847,472</u>	<u>11,934,812</u>	<u>22,402,092</u>

The income from donations and capital grants was £11,934,812 (2021: £22,402,092) which was allocated between the funds as follows; £87,340 unrestricted funds (2021: £941,811), £Nil restricted funds (2021: (£2,405,977)), £11,847,472 restricted fixed asset funds (2021: £23,866,258) and £Nil endowment funds (2021: £Nil).

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

	Restricted General Funds £	2021/22 Total £	2020/21 Total £
<b>Educational operations</b>			
<b>DfE/ESFA revenue grants</b>			
General Annual Grant	24,613,181	24,613,181	23,143,520
Pupil Premium	2,287,728	2,287,728	2,236,812
Other ESFA Grants	1,242,521	1,242,521	512,102
Teacher Pay and Pension Grants	78,730	78,730	778,966
Universal Infant Free School Meals	388,036	388,036	455,543
	<u>28,610,196</u>	<u>28,610,196</u>	<u>27,126,943</u>
<b>Other government grants</b>			
Local Authority Funding	11,522,695	11,522,695	10,037,722
Teacher Pay and Pension Grants (from LA)	60,720	60,720	294,941
	<u>11,583,415</u>	<u>11,583,415</u>	<u>10,332,663</u>
<b>Covid-19 additional funding (DfE/ESFA)</b>			
Catch-up premium	-	-	426,659
Other DfE/ESFA COVID-19 funding	8,941	8,941	114,681
	<u>8,941</u>	<u>8,941</u>	<u>541,340</u>
<b>Total grants</b>	<u>40,202,552</u>	<u>40,202,552</u>	<u>38,000,946</u>

The funding for educational operations was £40,202,552 (2021: £38,000,946) which was allocated between the funds as follows; £Nil unrestricted funds (2021: £Nil), £40,202,552 restricted funds (2021: £38,000,946), £Nil restricted fixed asset funds (2021: £Nil) and £Nil endowment funds (2021: £Nil).



# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 4 Other trading activities

	Unrestricted Funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	58,830	58,830	54,958
Catering income	277,902	277,902	201,926
Recharges and reimbursements	156,074	156,074	3,011
Other income	534,077	534,077	461,747
	<u>1,026,883</u>	<u>1,026,883</u>	<u>721,642</u>

The income from other trading activities was £1,026,883 (2021: £721,642) which was allocated between the funds as follows; £1,026,883 unrestricted funds (2021: £721,642), £Nil restricted funds (2021: £Nil), £Nil restricted fixed asset funds (2021: £Nil) and £Nil endowment funds (2021: £Nil).

### 5 Investment income

	Unrestricted Funds £	2021/22 Total £	2020/21 Total £
Bank Interest Received	996	996	842
Investment Income	2,441	2,441	1,185
	<u>3,437</u>	<u>3,437</u>	<u>2,027</u>

The income from other trading activities was £3,437 (2021: £2,027) which was allocated between the funds as follows; £3,437 unrestricted funds (2021: £2,027), £Nil restricted funds (2021: £Nil), £Nil restricted fixed asset funds (2021: £Nil) and £Nil endowment funds (2021: £Nil).

### 6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2022 £	Total 2021 £
<b>Academy's educational operations</b>					
Direct costs	28,563,403	1,885,566	1,787,864	32,236,833	30,435,348
Allocated support costs	8,604,830	3,822,648	3,214,031	15,641,509	12,435,769
	<u>37,168,233</u>	<u>5,708,214</u>	<u>5,001,895</u>	<u>47,878,342</u>	<u>42,871,117</u>
	<u>37,168,233</u>	<u>5,708,214</u>	<u>5,001,895</u>	<u>47,878,342</u>	<u>42,871,117</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 6 Expenditure (continued)

Net incoming/outgoing resources for the year include:

	2022 £	2021 £
Operating leases - PFI payments	96,819	103,205
Operating leases - other leases	50,026	47,481
Fees payable to auditor - audit	28,000	28,000
- other audit services	7,100	6,165
Depreciation	<u>2,247,389</u>	<u>2,021,651</u>

### 7 Charitable activities

	2021/22 £	2020/21 £
Direct costs - educational operations	32,236,833	30,435,348
Support costs - educational operations	<u>15,641,509</u>	<u>12,435,769</u>
	<u>47,878,342</u>	<u>42,871,117</u>

	2021/22 Total £	2020/21 Total £
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### Analysis of support costs

	Educational operations £	2021/22 Total £	2020/21 Total £
Support staff costs	8,604,830	8,604,830	7,062,691
Depreciation	361,823	361,823	326,748
Technology costs	478,208	478,208	559,964
Premises costs	3,460,825	3,460,825	2,101,263
Other support costs	2,704,730	2,704,730	2,345,340
Governance costs	<u>31,093</u>	<u>31,093</u>	<u>39,763</u>
Total support costs	<u>15,641,509</u>	<u>15,641,509</u>	<u>12,435,769</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 8 Staff

#### Staff costs

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	24,553,186	23,994,028
Social security costs	2,268,979	2,095,955
Pension costs	10,060,514	8,169,993
Supply teacher costs	245,744	111,314
Staff restructuring costs	39,810	254,562
	<u>37,168,233</u>	<u>34,625,852</u>
	<b>2021/22 £</b>	<b>2020/21 £</b>

#### Staff restructuring costs comprise:

Redundancy payments	-	242,024
Severance payments	<u>39,810</u>	<u>12,538</u>
	<u>39,810</u>	<u>254,562</u>

#### Statutory/contractual staff severance payments

Included in wages and salaries are statutory/contractual severance payments totalling £39,810 (2021: £12,538). Individually, the payments were: £4,646, £26,389 and £8,775.

#### Staff numbers

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

	2021/22 No	2020/21 No
Management	3	4
Teachers	322	338
Administration and support	<u>848</u>	<u>871</u>
	<u>1,173</u>	<u>1,213</u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 8 Staff (continued)

##### Higher paid staff

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

	2021/22 No	2020/21 No
£60,001 - £70,000	7	9
£70,001 - £80,000	10	6
£80,001 - £90,000	-	2
£90,001 - £100,000	4	2
£100,001 - £110,000	1	2
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

##### Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the central management team as listed on page 2. 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 £442,071 (2021: £478,476).

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (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 Operating Officer and Chief Executive Officer
- School Improvement
- Human Resources
- Audit, pension and legal services
- Provision of a Compliance Management System
- Provision of a finance and budgeting system

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

- 4.25% of GAG income for all Academies

The actual amounts charged during the year were as follows:

	2021/22	2020/21
	£	£
Adelaide Primary School	88,767	68,397
Broadacre Primary School	70,944	65,139
Bude Park Primary School	49,842	40,797
Cambridge Park Academy	104,499	90,801
Christopher Pickering Primary School	80,841	72,168
Clifton Primary School	69,915	52,626
Frederick Holmes School	38,250	27,900
Ganton School	73,524	51,300
Highlands Primary School	86,682	71,826
Kingswood Park Academy	104,634	93,939
Maybury Primary School	44,859	35,997
Neasden Primary School	44,940	38,055
Parkstone Primary School	62,580	59,310
St Nicholas Primary School	39,624	35,142
Tweendykes School	69,699	47,700
Woodland Primary School	42,891	31,713
	<u>1,072,491</u>	<u>882,810</u>

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (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: £140,000 - £145,000 (2021 - £135,000 - £140,000)

Employer's pension contributions: £30,000 - £35,000 (2021 - £35,000 - £40,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £646 (2021 - £Nil) were reimbursed or paid directly to 1 trustee (2021 - 0).

Other related party transactions involving the trustees are set out in note 27.

#### **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 2022 (continued)

### 12 Tangible fixed assets

	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	Improvements to leasehold land and buildings £	Motor vehicles £	2021/22 Total £
<b>Cost</b>							
At 1 September 2021	84,609,087	1,136,328	701,445	697,862	1,107,699	59,583	88,312,004
Additions	10,824,248	-	320,264	362,891	666,752	35,555	12,209,710
Disposals	(3,689,768)	-	-	-	-	-	(3,689,768)
Transfers	-	(1,136,328)	-	-	1,136,328	-	-
At 31 August 2022	<u>91,743,567</u>	<u>-</u>	<u>1,021,709</u>	<u>1,060,753</u>	<u>2,910,779</u>	<u>95,138</u>	<u>96,831,946</u>
<b>Depreciation</b>							
At 1 September 2021	4,999,091	-	321,883	348,840	137,594	46,600	5,854,008
Charge for the year	1,725,719	-	136,740	209,136	159,848	15,946	2,247,389
Eliminated on disposals	(273,723)	-	-	-	-	-	(273,723)
At 31 August 2022	<u>6,451,087</u>	<u>-</u>	<u>458,623</u>	<u>557,976</u>	<u>297,442</u>	<u>62,546</u>	<u>7,827,674</u>
<b>Net book value</b>							
At 31 August 2022	<u>85,292,480</u>	<u>-</u>	<u>563,086</u>	<u>502,777</u>	<u>2,613,337</u>	<u>32,592</u>	<u>89,004,272</u>
At 31 August 2021	<u>79,609,996</u>	<u>1,136,328</u>	<u>379,562</u>	<u>349,022</u>	<u>970,105</u>	<u>12,983</u>	<u>82,457,996</u>

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **12 Tangible fixed assets (continued)**

The academy trust's transactions during the year relating to land and buildings included:

The acquisition of the leasehold land and buildings at Broadacre Primary School which was donated to the academy trust at a value of £10,824,248.

The disposal of the leasehold land and buildings at Broadacre Primary School by the academy trust at a net book value of £3,416,045.

Included within leasehold land and buildings is £85,292,480 (2021: £76,609,996) 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 £10,824,248 in the period end 31 August 2022 per a valuation in April 2022 by NPS Humber Limited.

The leasehold land and buildings at Bude Park Primary School was transferred to the trust at a value of £4,021,980 in the period end 31 August 2021 per depreciated cost recognised in the period ended 31 August 2020 Financial Statements for Bude Park Primary School.

The leasehold land and buildings at Cambridge Park Academy was transferred to the trust at a value of £3,562,259 in the period end 31 August 2020 per depreciated cost recognised in the period ended 31 March 2020 Financial Statements for Cambridge Park Academy.

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 Frederick Holmes School was donated to the trust at a value of £9,173,917 in the period end 31 August 2019 per a valuation in September 2018 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 Highlands Primary School was transferred to the trust at a value of £3,798,292 in the period end 31 August 2021 per depreciated cost recognised in the period ended 31 August 2020 Financial Statements for Highlands Primary School.

The leasehold land and buildings at Kingswood Parks Primary School was transferred to the trust at a value of £13,283,700 in the period end 31 August 2021 per depreciated cost recognised in the period ended 31 August 2020 Financial Statements for Kingswood Parks Primary 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.



# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 12 Tangible fixed assets (continued)

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 Stock

	2022 £	2021 £
Clothing	8,394	8,394

### 14 Debtors

	2022 £	2021 £
Trade debtors	5,879	57,512
Prepayments	113,357	146,539
Accrued grant and other income	667,601	649,206
VAT recoverable	290,899	406,748
Other debtors	188	188
	<u>1,077,924</u>	<u>1,260,193</u>

### 15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,160,513	1,129,507
Other taxation and social security	475,022	460,245
Other creditors	9,261	7,605
Pension scheme creditor	555,642	553,914
Accruals	1,618,488	426,200
Deferred income	230,261	313,866
	<u>4,049,187</u>	<u>2,891,337</u>

	2022 £	2021 £
<b>Deferred income</b>		
Deferred income at 1 September 2021	313,866	215,959
Resources deferred in the period	230,261	313,866
Amounts released from previous periods	<u>(313,866)</u>	<u>(215,959)</u>
Deferred income at 31 August 2022	<u>230,261</u>	<u>313,866</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 15 Creditors: amounts falling due within one year (continued)

Deferred income as at 31 August 2022 represents; Universal Infant Free School Meal income for the period September 2022 to March 2023.

### 16 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant	3,818,723	24,613,181	(23,708,336)	(370,919)	4,352,649
Pupil premium	-	2,287,728	(2,287,728)	-	-
Local authority funding	-	11,583,415	(11,583,415)	-	-
UIFSM	-	388,036	(388,036)	-	-
Other ESFA grants	-	1,242,521	(1,160,744)	(81,777)	-
Teacher pay and pension grants	-	78,730	(78,730)	-	-
Other DfE/ESFA COVID-19 funding	-	8,941	(8,941)	-	-
Pension Scheme Liability	(37,703,000)	-	(5,674,000)	37,924,000	(5,453,000)
	<u>(33,884,277)</u>	<u>40,202,552</u>	<u>(44,889,930)</u>	<u>37,471,304</u>	<u>(1,100,351)</u>
<b>Restricted fixed asset funds</b>					
Capital grants and expenditure from GAG	1,813,621	732,649	(709,808)	520,171	2,356,633
Donated Assets from Local Authority	32,154,635	10,824,248	(797,054)	(3,416,045)	38,765,784
Transfer of assets and unspent capital grants from existing academies into the Trust	48,230,439	-	(1,096,389)	-	47,134,050
Donated Assets from DfE	184,696	99,800	(90,546)	-	193,950
Condition Improvement Funding	1,157,816	190,775	(41,350)	150,000	1,457,241
	<u>83,541,207</u>	<u>11,847,472</u>	<u>(2,735,147)</u>	<u>(2,745,874)</u>	<u>89,907,658</u>
Total restricted funds	49,656,930	52,050,024	(47,625,077)	34,725,430	88,807,307
<b>Unrestricted funds</b>					
Unrestricted general funds	5,283,554	1,117,660	(253,265)	(217,475)	5,930,474
Total funds	<u>54,940,484</u>	<u>53,167,684</u>	<u>(47,878,342)</u>	<u>34,507,955</u>	<u>94,737,781</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 16 Funds (continued)

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

	Balance at 1 September 2020 £	Incoming resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant	1,627,245	23,143,520	(20,991,877)	39,835	3,818,723
Pupil premium	-	2,236,812	(2,236,812)	-	-
Local authority funding	-	10,332,663	(10,332,663)	-	-
UIFSM	-	455,543	(455,543)	-	-
Other ESFA grants	-	512,102	(544,054)	31,952	-
Teacher pay and pension grants	-	778,966	(778,966)	-	-
COVID-19 catch-up premium	-	426,659	(426,659)	-	-
Transfer of Restricted General Funds from existing academies into the Trust	-	1,171,023	(1,171,023)	-	-
Other DfE/ESFA COVID-19 funding	-	114,681	(114,681)	-	-
	<u>1,627,245</u>	<u>39,171,969</u>	<u>(37,052,278)</u>	<u>71,787</u>	<u>3,818,723</u>
<b>Restricted fixed asset funds</b>					
Capital grants and expenditure from GAG	1,017,703	781,987	(158,627)	172,558	1,813,621
Donated Assets from Local Authority	32,834,301	-	(679,666)	-	32,154,635
Transfer of assets and unspent capital grants from existing academies into the Trust	27,672,038	21,699,755	(1,141,354)	-	48,230,439
Donated Assets from DfE	-	226,700	(42,004)	-	184,696
Condition Improvement Funding	-	1,157,816	-	-	1,157,816
	<u>61,524,042</u>	<u>23,866,258</u>	<u>(2,021,651)</u>	<u>172,558</u>	<u>83,541,207</u>
<b>Other restricted funds</b>					
Pension Scheme Liability	<u>(21,911,000)</u>	<u>(3,577,000)</u>	<u>(3,634,000)</u>	<u>(8,581,000)</u>	<u>(37,703,000)</u>
Total restricted funds	41,240,287	59,461,227	(42,707,929)	(8,336,655)	49,656,930
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>4,025,607</u>	<u>1,665,480</u>	<u>(163,188)</u>	<u>(244,345)</u>	<u>5,283,554</u>
Total funds	<u>45,265,894</u>	<u>61,126,707</u>	<u>(42,871,117)</u>	<u>(8,581,000)</u>	<u>54,940,484</u>

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **16 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.

During the year ended 31 August 2022, Restricted Fixed Asset Funds had an in year deficit of £670,171. A transfer of £670,171 has been made from from Restricted General Funds into Restricted Fixed Asset Funds to cover this deficit.

During the year ended 31 August 2022, Restricted General Funds had an in year deficit of £217,475. A transfer of £217,475 has been made from from Unrestricted General Funds into Restricted General Funds to cover this deficit.

During the year ended 31 August 2021, Restricted Fixed Asset Funds had an in year deficit of £172,558. A transfer of £172,558 has been made from from Restricted General Funds into Restricted Fixed Asset Funds to cover this deficit.

During the year ended 31 August 2021, Restricted General Funds had an in year deficit of £244,345. A transfer of £244,345 has been made from from Unrestricted General Funds into Restricted General Funds to cover this deficit.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 16 Funds (continued)

##### Analysis of academies by cost

Expenditure incurred by each academy during the year (excluding depreciation of £2,247,389 and including central service contributions of £1,072,491) was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2022 £	Total 2021 £
Broadacre Primary School	1,577,260	377,668	111,343	480,809	2,547,080	2,058,493
Adelaide Primary School	1,741,419	544,262	182,148	498,865	2,966,694	2,566,181
Bude Park Primary School	965,431	280,334	75,886	372,719	1,694,370	1,516,377
Cambridge Park Academy	3,232,960	1,305,033	162,885	717,904	5,418,782	5,051,099
Christopher Pickering Primary School	1,965,195	461,439	100,778	542,895	3,070,307	2,816,450
Clifton Primary School	1,475,116	379,872	89,930	402,694	2,347,612	2,173,517
Frederick Holmes School	2,214,408	720,716	84,963	521,178	3,541,265	2,986,574
Ganton School	3,023,590	840,726	86,092	702,612	4,653,020	4,268,098
Highlands Primary School	1,822,605	467,415	88,175	661,912	3,040,107	2,791,906
Kingswood Parks Primary School	1,957,360	518,537	187,298	501,753	3,164,948	2,907,107
Maybury Primary School	973,329	284,611	61,492	260,060	1,579,492	1,571,351
Neasden Primary School	945,103	270,704	90,651	254,819	1,561,277	1,298,503
Parkstone Primary School	1,135,772	243,720	57,523	364,010	1,801,025	1,677,703
St Nicholas Primary School	715,872	183,559	54,196	227,083	1,180,710	1,126,424
Tweendykes School	3,468,653	1,020,074	100,426	515,257	5,104,410	4,602,407
Woodland Primary School	885,772	329,677	65,339	270,582	1,551,370	1,372,824
Central services	463,558	376,483	592	640,342	1,480,975	947,262
Academy Trust	<u>28,563,403</u>	<u>8,604,830</u>	<u>1,599,717</u>	<u>7,935,494</u>	<u>46,703,444</u>	<u>41,732,276</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 16 Funds (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Adelaide Primary School	988,492	821,629
Broadacre Primary School	997,750	968,756
Bude Park Primary School	402,852	455,047
Cambridge Park Academy	865,251	604,547
Christopher Pickering Primary School	167,094	119,796
Clifton Primary School	412,626	309,296
Frederick Holmes School	326,856	342,099
Ganton School	846,610	860,691
Highlands Primary School	1,338,443	1,196,865
Kingswood Parks Primary School	870,730	751,835
Maybury Primary School	368,467	337,440
Neasden Primary School	558,141	541,898
Parkstone Primary School	573,930	537,941
St Nicholas Primary School	195,555	129,016
Tweendykes School	761,571	641,302
Woodland Primary School	301,679	318,994
Central services	307,076	165,125
Total before fixed assets and pension reserve	10,283,123	9,102,277
Restricted fixed asset fund	89,907,658	83,541,207
Pension reserve	(5,453,000)	(37,703,000)
Total	94,737,781	54,940,484

### 17 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	89,004,272	89,004,272
Current assets	5,930,474	8,401,836	903,386	15,235,696
Current liabilities	-	(4,049,187)	-	(4,049,187)
Pension scheme liability	-	(5,453,000)	-	(5,453,000)
Total net assets	5,930,474	(1,100,351)	89,907,658	94,737,781

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 17 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	-	-	82,457,996	82,457,996
Current assets	5,283,554	6,710,060	1,083,211	13,076,825
Current liabilities	-	(2,891,337)	-	(2,891,337)
Pension scheme liability	-	(37,703,000)	-	(37,703,000)
Total net assets	<u>5,283,554</u>	<u>(33,884,277)</u>	<u>83,541,207</u>	<u>54,940,484</u>

### 18 Capital commitments

	2022 £	2021 £
Contracted for, but not provided in the financial statements	<u>-</u>	<u>412,564</u>

The above capital commitments relate to new building costs.

### 19 Long-term commitments, including operating leases

#### Operating leases

At 31 August 2022 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	39,173	33,859
Amounts due between one and five years	<u>46,648</u>	<u>48,634</u>
	<u>85,821</u>	<u>82,493</u>

#### Private finance initiative commitments

In relation to the private finance initiative (PFI) Tweendykes School is committed to making the following payments to Kingston Upon Hull City Council over the remaining term of the PFI agreement (assuming an annual increase of 1.03%):

	2022 £	2021 £
Amounts due within one year	97,816	96,819
Amounts due within 2 - 5 years	401,445	397,352
Amounts due over 5 years	965,737	1,067,646
	<u>1,464,998</u>	<u>1,561,817</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

	2022 £	2021 £
Net income	5,289,342	18,255,590
Depreciation	2,247,389	2,021,651
Cash transferred on conversions to the trust/on existing academies joining the trust	-	2,245,759
Donated capital and capital grants	(923,424)	(1,939,803)
Interest receivable	(3,437)	(2,027)
FRS 102 net interest on defined benefit pension scheme	664,000	461,000
FRS 102 cost less contributions payable on defined benefit pension scheme	5,010,000	3,173,000
Decrease/(increase) in debtors	182,269	(583,109)
Increase in creditors	1,157,850	1,165,990
Inherited Pension	-	3,577,000
Net cash inflow from operating activities	<u>13,623,989</u>	<u>28,375,051</u>

### 21 Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(1,285,662)	(1,793,015)
Capital grants from DfE	923,424	1,939,803
Donated fixed assets	<u>(10,924,048)</u>	<u>(21,926,455)</u>
Net cash outflow from capital expenditure and financial investment	<u>(11,286,286)</u>	<u>(21,779,667)</u>

### 22 Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	<u>14,149,378</u>	<u>11,808,238</u>
Total cash and cash equivalents	<u>14,149,378</u>	<u>11,808,238</u>

### 23 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash	11,808,238	2,341,140	14,149,378
	-	-	-
Total	<u>11,808,238</u>	<u>2,341,140</u>	<u>14,149,378</u>



## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **24 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:

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

There is a potential liability for Humber Education Trust relating to claims made by and on behalf of term-time only employees who allege that they have not been paid the correct amount of holiday pay following the Supreme Court decision on the Brazel vs. Harpur Trust case. There is limited legal precedence on calculating settlement figures therefore the Academy Trust are unable to reliably quantify the financial impact.

#### **25 Member 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.

#### **26 Pension and similar obligations**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £555,642 (2021 - £553,914) were payable to the schemes at 31 August and are included within creditors.

##### **Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

##### 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £2,793,190 (2021: £2,729,149).

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

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

##### 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 2022 was £2,849,000 (2021 - £3,224,000), of which employer's contributions totalled £2,188,000 (2021 - £2,522,000) and employees' contributions totalled £661,000 (2021 - £702,000). The agreed contribution rates for future years are 19.1% 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

##### Principal actuarial assumptions

	At 31 August 2022 %	At 31 August 2021 %
Rate of increase in salaries	4.00	3.80
Rate of increase for pensions in payment/inflation	3.10	2.90
Discount rate for scheme liabilities	<u>4.30</u>	<u>1.70</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 26 Pension and similar obligations (continued)

#### Sensitivity analysis

	At 31 August 2022 £	At 31 August 2021 £
Discount rate -0.1%	1,101,000	1,946,000
Salary rate +0.1%	153,000	166,000
Pension rate +0.1%	1,014,000	1,753,000
Mortality assumption - 1 year increase	<u>1,641,000</u>	<u>2,854,000</u>

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

	2022	2021
<b>Retiring today</b>		
Males retiring today	20.80	21.00
Females retiring today	23.50	23.70
<b>Retiring in 20 years</b>		
Males retiring in 20 years	22.00	22.20
Females retiring in 20 years	<u>25.30</u>	<u>25.50</u>

The actual return on scheme assets was (£501,000) (2021 - £4,444,300).

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

	2022 £	2021 £
Equities	26,686,000	23,207,000
Other bonds	4,981,000	6,053,000
Property	3,557,000	3,699,000
Cash and other liquid assets	<u>351,000</u>	<u>673,000</u>
Total market value of assets	<u>35,575,000</u>	<u>33,632,000</u>

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

	2021/22 £	2020/21 £
Current service cost	5,010,000	3,173,000
Interest cost	<u>664,000</u>	<u>461,000</u>
Total amount recognised in the SOFA	<u>5,674,000</u>	<u>3,634,000</u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

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

	2021/22 £	2020/21 £
At start of period	71,335,000	44,209,000
Transferred in on existing academies joining the trust	-	7,162,000
Current service cost	7,198,000	5,657,000
Interest cost	1,239,000	926,000
Employee contributions	661,000	702,000
Actuarial (gain)/loss	(39,032,000)	12,950,000
Benefits paid	(373,000)	(309,000)
Past service cost	-	38,000
At 31 August	<u>41,028,000</u>	<u>71,335,000</u>

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

	2021/22 £	2020/21 £
At start of period	33,632,000	22,298,000
Transferred in on existing academies joining the trust	-	3,585,000
Interest income	575,000	465,000
Actuarial gain/(loss)	(1,108,000)	4,369,000
Employer contributions	2,188,000	2,522,000
Employee contributions	661,000	702,000
Benefits paid	(373,000)	(309,000)
At 31 August	<u>35,575,000</u>	<u>33,632,000</u>

#### 27 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

##### C Kirby

C Kirby, daughter of P Brown, a Trustee, is employed by the academy trust as a teaching assistant. C Kirby's appointment was made in open competition and P Brown was not involved in the decision making process regarding appointment. C Kirby is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship.

#### 28 Events after the end of the reporting period

It was approved by the Board in July 2022 that Bursar Academy is to join Humber Education Trust in April 2023.