

Registration number: 08756412 (England and Wales)

The Huish Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

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The Huish Academy Trust

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The Huish Academy Trust

Reference and Administrative Details

Members

R Beaver (resigned 15 August 2016)
J Bachrach, member of the Finance Committee (resigned 15 August 2016)
J Dudley-Smith (appointed 15 August 2016)
B Reina (appointed 15 August 2016)
C Snell (appointed 15 August 2016)
C Stephens (appointed 15 August 2016)

Governors and Trustees (Directors)

V Hillier-Nickels, Staff trustee and member of the Finance Committee
P L Noone
A D Hutchings
R J Bayley
P Price, Principal, member of the Finance Committee and Accounting Officer
S Goodchild
S Miller, Staff trustee
J Roberts, member of the Finance Committee
A Fossey, Staff trustee and member of the Finance Committee
A Sherrard, Staff trustee
R Beaver
J Bachrach, member of the Finance Committee
B Reina (resigned 21 September 2015)
B Geary (appointed 7 March 2016)
C Rowsell (appointed 7 March 2016)

Senior Management Team

P Price, Headteacher
V Hillier-Nickels, Staff trustee
A Fossey, Staff trustee
A Sherrard, Staff trustee

Company Name

The Huish Academy Trust

Principal and Registered Office

Carisbrooke Gardens
Yeovil
Somerset
BA20 1AY

Company Registration Number

08756412

Independent Auditor

Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Motivo House
Yeovil
BA20 2FG

The Huish Academy Trust

Reference and Administrative Details (continued)

Bankers

Lloyds TSB PLC
9 High Street
Yeovil
Somerset
BA20 1RN

Solicitors

Porter Dodson
The Quad
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

The Huish Academy Trust

Trustees' Report for the Year Ended 31 August 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Yeovil. It has a pupil capacity of 420 and had a roll of 421 in the Spring 2016 school census.

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 08756412.

The academy changed its name from Huish Primary School to The Huish Academy Trust on 15 August 2015.

The governors act as the trustees for the charitable activities of The Huish Academy 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.

Members' liability

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

Trustees' indemnities

The academy through its Articles has indemnified its trustees to the fullest extent permissible by law. During the period the academy also purchased and maintained liability insurance for its trustees.

The Huish Academy Trust

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

Method of recruitment and appointment or election of trustees

The need to have wide ranging skills, experience and viewpoints amongst trustees is recognised and recruitment to the governing body reflects this need whenever possible.

Community trustees are appointed by the governing body following appropriate advertising of vacant posts and a formal election if there is more than one applicant for any post.

Staff trustees are appointed from the staff of the academy and elected by them; all staff members are eligible to stand for election.

Parent trustees are appointed from the parents of the academy and elected by them; all parents of students attending the academy are eligible to stand for election.

Sponsor trustees are initially nominated by an organisation or individual wishing to give assistance to the academy, financially or in kind. They are formally appointed by the governing body.

Co-opted trustees are appointed by the governing body from people in the community who have specific skills which would be beneficial to the good governance of the academy. Such appointments are at the governing body's invitation.

The member trustee is appointed to the governing body by members of the academy trust. The appointment may follow appropriate advertising or be by invitation.

The Headteacher is automatically an ex officio trustee of the academy.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

When appointing new trustees, the Board will give consideration to the skills and experience mix of existing trustees in order to ensure that the Board has the necessary skills to contribute fully to the academy's development.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend upon their existing experience but would always include a tour of the academy and a chance to meet staff and pupils. 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. As there are normally only two or three new trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Key features are therefore as follows:

- Meetings with the Headteacher and chair of trustees and introductions to other trustees and the clerk to trustees.
- An induction pack detailing responsibilities of the role and other relevant information.
- A mentor for each new trustee from amongst experienced trustees.
- Opportunities to meet staff and students.
- Additional induction appropriate to the new trustees' experience, together with on-going training and development.

The Huish Academy Trust

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

Organisational structure

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy making major decisions about its strategic direction, including capital expenditure, helping to promote the academy effectively and, in close consultation with the Headteacher, assisting with staff appointments. They hold the Headteacher accountable. Their work is conducted through a structured committee system comprising of the finance committee, premises committee, achievements and standards committee and teaching and learning committee. Each meets twice termly. Reports from the committees feed into twice termly meetings of the full governing body.

The Headteacher is the accounting officer and works closely with the other trustees. They have responsibility for the day to day operational management of the academy and for leading a senior team which includes the deputy headteacher and team leaders. These senior staff implement agreed policy, report back to trustees on progress and are responsible for the authorisation of spending within agreed budgets. They devolve appropriate day to day responsibility to a middle management team of faculty and pastoral leaders.

The following decisions are reserved to the Board of trustees; to consider any proposals for changes to the status or constitution of the academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the trustees, to approve the School Development Plan/Self Evaluation Form and budget.

The Huish Academy Trust

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

Arrangements for setting pay and remuneration of key management personnel

Headteachers

The Pay Committee will determine the group size of the academy and then select an Individual School Range (ISR) consisting of seven consecutive points on the Leadership Pay Spine as set out in the School Teachers' Pay and Conditions Document (Sept 2016). The Pay Committee is able to change the individual school range at any time in order to attract or retain a Headteacher/Principal.

When determining the ISR the Pay Committee will base this on the academy's size, circumstances, and other responsibilities of the post and will take account of any difficulties there may be in recruiting a Headteacher/Principal.

LGBs, in compliance with the School Teachers' Pay and Conditions Document must ensure that the maximum of the ISR (where determined on or after 1 September) does not exceed the maximum of the Headteacher/Principal group range.

Progression within the ISR will be based on a review of the performance of the Headteacher/Principal against the pre-determined performance objectives and will be limited to a maximum of two points at each pay determination.

For new Headteachers/Principals, LGBs will when a new appointment needs to be made, determine the pay range to be advertised and agree pay on appointment as follows:

- Review the School group size and the Individual School Range (ISR) in accordance with the School Teachers Pay & Conditions Document;
- Have regard to the formula for the calculations of salary in accordance with the School Teachers Pay & Conditions Document;
- Record its reasons for the determination of the ISR set for the new Headteacher/Principal appointment.

Headteachers appointed as a Headteacher of more than one school

Where the Headteacher is appointed as a Headteacher of more than one school on a permanent basis the relevant body of the Headteacher original academy or, under the Collaboration Regulations, the collaborating body, must determine the ISR by the application of the total unit score of all of the academies calculated in accordance with (STPCD 2016).

Deputy and Assistant Headteachers

For serving Deputy Headteachers and Assistant Headteachers the Pay Committee will:

- Delegate responsibility to the Headteacher/Principal for the agreement of performance objectives for pay purposes.
- LGBs will select a pay range, for each Deputy and Assistant Headteacher, consisting of five consecutive points on the Leadership Pay Spine as set out in the School Teachers' Pay and Conditions Document.

When a Deputy Headteacher's pay range is determined LGBs must ensure that the maximum of the Deputy Headteacher's pay range does not equal or exceed the minimum of the individual school range for:

- (a) the salary of the highest paid classroom;
- (b) the minimum of the Assistant Headteacher's pay range of the highest teacher paid Assistant Headteacher at the school.

The Huish Academy Trust

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

Arrangements for setting pay and remuneration of key management personnel (continued)

Where there is insufficient space on the leadership group pay spine to accommodate a Deputy Headteacher's pay range of five point between the salary of the highest paid classroom teacher or the minimum of an Assistant Headteacher pay range and the minimum of the individual school range, the individual school range must be raised to the extent necessary to accommodate the Deputy Headteacher's pay range.

LGBs must not determine a Deputy Headteacher's pay range at so high a level that they are required by virtue of any other provision of the STPCD to raise the individual school range beyond the maximum of the Headteacher group range.

When determining each individual's pay range the Pay Committee will base this on the circumstances and responsibilities of the post and will take account of any difficulties there may be in recruiting to the post.

The maximum of the pay range for an Assistant Headteacher must be at least one point lower than the maximum of the range for any Deputy Headteacher and the minimum of the range for any Assistant Headteacher must be higher than the salary of the highest paid classroom teacher.

The salary of the highest paid classroom teacher is the sum of:

- The value of point 1 of the Upper Pay Scale;
- The value of any TLR awarded to the highest paid classroom teacher at the school;
- The value of any SEN allowance awarded to the highest paid classroom teacher at the school.

The Headteacher will seek to agree performance objectives annually with the Deputy and Assistant Headteacher(s) in accordance with the arrangements set out in the Teachers Appraisal and Capability Procedure, which follows the DfE Education (School Teachers Appraisal - England) Regulations 2012, which replace the Education (School Teacher Performance Management - England) Regulations 2006.

Commencing salary will be determined in accordance with the provisions of the School Teachers' Pay and Conditions Document.

Progression within the pay range will be based on a review of the performance of the individual against the pre-determined performance objectives and will be limited to a maximum of two points at each pay determination.

For new appointments the Pay Committee will determine the pay range to be advertised and agree pay on appointment as follows:

- Determine a pay range on the Leadership Pay Scale in accordance with the relevant section of the School Teachers' Pay & Conditions Document;
- Record its reasons for the determination of the pay range set.

The Huish Academy Trust

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

Related parties and other connected charities and organisations

The academy is connected to a number of other organisations as outlined below:

Yeovil Federation

Huish School is an active member of the Yeovil federation of schools which collaborate on a number of educational developments and issues. It has a close relationship with the Director as some activities are jointly run with Wessex Teaching School (see below).

Wessex Teaching School

Huish School is the lead school for Wessex Teaching School. The school facilitates with its partner schools a number of initiatives:

- School Direct Initial Teacher Training
- School to School support
- Continued Professional Development
- Research Projects
- School Leaders in Education (SLEs)

Somerset LEA

Huish Primary School works closely with LEA representatives to support 'vulnerable' schools as the Headteacher is a National Leader of Education (NLE).

Objectives and activities

Objects and aims

The academy trust's object as set out in its governing document is, "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum."

The academy's objectives and aims in summary for the period ending 31 August 2016 are:

- To deliver the highest quality of education / teaching and care to all students. To maintain high quality teaching and learning throughout the whole school enabling improved achievement for all pupils.
- To ensure standards of student achievement and progress remain high. The proportion of pupils making and exceeding expected progress is high compared with national figures taking account of their starting points.
- To ensure outstanding leadership and management at all levels. The Leadership & Management demonstrates an ambitious vision for the school and high expectations for what every pupil and teacher can achieve, and sets the highest standards for quality and performance.
- Behaviour and Safety — To ensure that children's behaviour and attitudes to all learning are exemplary, and that all groups feel safe at school.
- To improve the learning environment, including up-grading the building fabric when capital funding is available.
- To develop the opportunities offered by academy status, to support the achievement of identified priorities.
- To provide value for money for the funds expended.
- To conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

The Huish Academy Trust

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

Objectives, strategies and activities

The academy produces a school development plan, updated annually, which details how it intends to achieve its objectives for the year. Scheduled activities / strategies for the period 2015-16 include:

- Keeping the curriculum under review, ensuring it fully meets the needs of all students.
- Making available to staff a programme of continuous professional development of the highest quality.
- Ensuring that the highest expectations are clearly communicated by the senior team to staff and by staff to students.
- Ensuring close and effective monitoring and appropriate challenge from governors.
- Reviewing and reorganising, as needed, the senior management structure.
- Identifying funds / securing grants for improvements to site / learning environment.
- Fully utilising the professional expertise available to the academy.

The specific priorities in the SDP for 2016-2017 are as follows:

1. Teachers Change Lives

Thorough rigorous, dynamic teaching to ensure all children across the trust make excellent progress in the core subjects. By the end of KS1, 85%+ should reach expected levels or above. By the end of KS2 85%+ should achieve or exceed the expected level (using 2016 standards). The Early Years will continue to offer an outstanding start for children, and will focus upon developing new systems for encouraging and recording Child Initiated Learning in 2016-17. Through careful planning and high expectations, all children to make good or outstanding progress.

This encompasses the:

- Raising Achievement Plan
- English/Maths Plan
- Early Years Plan

2. No Child Left Behind

All children, despite different starting points, will achieve at least national standards, with significant numbers achieving above. Certain children, who have a range of global, specific difficulties, will receive outstanding teaching, either in whole class or small group situations. We will focus specifically in 2016-17 upon children in Year 1, who need to accelerate progress in order to meet new national standards, and upon selected children in Yr 4. Year 6 were not significantly above national standards at the end of KS1, and have received intensive support over KS2, and will continue to do so in Yr 6. Our plans will also reflect how we are encouraging all parents, but especially those who find school tasks challenging.

This encompasses the:

- Inclusion and Enrichment
- Pupil Premium Plan

The Huish Academy Trust

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

Objectives, strategies and activities (continued)

3. Growing Our Workforce

In order for the children of the trust to be successful, all members of the school community need to embrace new learning and new expectations. Children will receive an education which is designed to stimulate, support and challenge. In order to deliver this, teachers and support staff will keep abreast of new developments and use current research in order to enhance learning and ensure high outcomes. We will particularly focus upon effective feedback and Growth mindset in 2016-17. Leaders, teachers, Governors and support staff will also have clear plans for developing their role and seeking out best practice. As lead school within the Wessex Teaching School, Huish is an ideal place to ensure all training needs can be met.

4. What We Learn matters

The majority of children spend over 3 hours a day learning English and Maths skills which are at the core of what we do. Detailed plans to ensure these plans continuously improve are a key part of our drive across the trust. However, in order to balance this, we will continue to work tirelessly to promote a diverse, meaningful foundation curriculum, with each subject leader producing and agreeing subject plans which show how they are leading and moving their subjects forward. We are moving towards enhancement days in a number of key subjects for 2016-17, for those who are able at particular subjects, and this will be included in the plans.

This encompasses the:

- Individual Subject Leader Plans

5. Where We Learn Matters

We teach the children across our trust to be proud of their school, their community and their country. An appreciation of the country in which we live, as well as the key values, goes hand in hand with our focus, across the trust in our International links - currently with China, Poland and Spain. We will continue to develop our children's understanding of British values alongside our International links. Where we learn, encompasses both our physical environment as well as the communities around us. Each of our schools will create individual building plans which clearly show how our learning spaces will develop.

This encompasses the:

- International Links Plan
- British Values Plan
- Building Plans

Public benefit

The academy provides educational services to all children aged between 4 and 11 in the local area. The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

This guidance has directly influenced the setting of objectives and activities. In particular, trustees have considered how planned activities will contribute to set objectives.

The Huish Academy Trust

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

Strategic Report

Achievements and performance

Throughout the school in reading, writing and mathematics, pupils make substantial progress developing excellent skills, knowledge and understanding from their different starting points. This has been evident over a sustained period of years. The current cohorts in year 2 and year 6 have targets which, if achieved, will place Huish in the top 20% of schools nationally.

Attainment on entry is below average. Rapid progress across the reception year and KS1 means that cohorts generally achieve at least expected standard by the end of KS1. In 2016, children in Year 2 achieved levels in reading which were broadly average, well above average in maths, but below average in writing.

In 2016, by the end of reception, 53% of pupils achieved a good level of development in ELG 1-12, and an average point score of 33 across all areas of learning.

Outcomes are near to LA averages (national 61% achieving good level of development ELG 1-12 and 50% achieving good level of development in all components).

High attainment is secured for all cohorts across the school at KS2. Attainment is consistently well above age related expectations in reading, writing and mathematics.

By the end of KS2 the proportion of pupils making and exceeding expected progress rates by the end of are high. Attainment has been consistently above and significantly above national average over a number of years.

Achievement and Progress of groups of pupils and any variations.

Girls and Boys

In Mathematics, attainment for both boys and girls by the end of KS1 is similar (74% and 77% respectively, at expected standard), with both groups achieving well above the Somerset average and above the predicted National average. The reading attainment is in-line with Somerset and National expectations with 28% achieving greater depth. The slightly lower writing scores reflect the change in focus of the interim assessments carried out, however the attainment of the children will stand them in good stead as they move into KS2.

The progress for girls in Reading, Writing and Mathematics is +4%, which is lower than for boys but still significantly above the national average. Girls achieved an average scaled score in Reading and Mathematics of 106.7, close to that achieved by boys and significantly above national standards.

Pupil Premium

All of the Year 1 cohort passed their phonic screen, including 7 disadvantaged children. In writing and maths, all disadvantaged children are at expected levels or above, except for one SEN pupil, who continues to be supported in a variety of ways.

The year 2 cohort was small, with significant numbers of SEN. Children were supported intensively and achieved a level 2 in all areas. They still however, will need support throughout KS2 in order to reach national standards by the end of KS2.

At the end of KS2 there were 16 children in receipt of pupil premium.

The Huish Academy Trust

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

Strategic Report

Achievement and performance (continued)

Both PP and non-PP groups make strong progress across KS2. Gaps in attainment narrow and by the time pupils leave Y6, it is evident that high quality teaching accelerates the progress of these pupils in reading, writing and mathematics. The PP group make very strong progress, attain highly and narrow the attainment gap evident at the start of the year.

- The Average PP scaled scores were all above the National Expectation of 100.
- The Average PP scaled scores were all above the National Average in Reading, Maths and Reading/Maths combined. PP were only slightly below in SPAG.
- The Average PP scaled scores were significantly above the National Average in Maths and Reading/Maths combined.
- At KS1 PP children attained well above national averages for Reading and Maths and below for writing. By KS 2 the PP children attained well above national averages (for all children) in Reading, Writing and Maths.
- The difference between the performance of our PP and Non PP has significantly reduced in Reading, Writing and Reading/Maths combined between KS1 and KS2. The difference in maths has remained approximately the same. This shows that the provision for PP children is ensuring accelerated progress.
- The average progress for PP children is above National figures for all children and is greater than the Huish Non PP for Maths and Reading/Maths combined

EAL

Attainment for EAL at the end of each year group is often slightly lower than for their peers, but analysis on a group level is hampered by small numbers and the different starting times of these children, with many beginning mid-year.

Progress for EAL children who have no SEN, however, is good in all cases.

By the end of KS2 in 2016, the 3 EAL children have effectively caught up and often exceeded the outcomes of non EAL children. The average scaled score of 110.6 in Maths and Reading is significantly above the non EAL children and the national average.

SEN

Attainment for SEN children varies considerably according to the needs of the children.

In 2016, there was one pupil with SEND in Year 6 who reached expected levels in Reading and Maths. In Year 6, an additional four pupils were SEN at the end of KS1, however due to the support and interventions in place throughout KS2 they had made progress and their needs were met alongside the rest of the class last year. All of these children would have achieved Level 4 in the past.

In Year 2, there were five pupils with SEND, one achieved expected standards in Writing and two in Maths; three of these pupils have complex SEN and receive additional top-up funding to support their needs.

The Huish Academy Trust

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

Strategic Report

Key financial performance indicators

	Unit	2016	2015
Level of reserves	£	3,197,579	3,603,347
Net (expenditure)/income for the year	£	(102,768)	131,764
Net income as a percentage of incoming resources	%	(5)	6

Key non-financial performance indicators

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 were 425. It is anticipated that this number will continue to stay constant as the school is full.

Another key financial performance indicator is the school's staffing costs as a percentage of GAG. For the year ended 31 August 2016 this was 96.3%.

Huish Primary School's last Ofsted inspection took place in January 2009. The school was rated as Outstanding.

To view the report see:

<http://www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/123722>

Student attendance was 97.16% during 2015-16. There was only 2.36% authorised absence and 0.48% unauthorised absence.

Going concern

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

Financial review

The majority of the academy's income is obtained through the EFA in the form of restricted recurrent grants. The level of grant income received from the EFA during the year ended 31 August 2016 plus the associated expenditure is as shown in the Statement of Financial Activities.

The academy also receives grants from Somerset County Council for individually assigned resources, to support students who have been recognised via Somerset County Council audit process, as being eligible for 'School Action Plus' funding in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income.

During the year ended 31 August 2016, total expenditure of £2,019,804 (2015 - £1,938,871) exceeded recurrent grant funding from the DfE together with other incoming resources by £102,768. However the academy had sufficient reserves to cover this deficit. For the year ended 31 August 2016 the net excess in funds, after deduction of actuarial losses on the LGPS was £3,197,579 (2015 - £3,603,347).

The Huish Academy Trust

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

Strategic Report

Reserves policy

The trustees review the reserve levels of the academy at all Finance Committee meetings. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration the future plans of the academy, the uncertainty over future income streams and other key risks identified during the risk review.

The governors review the reserve levels of the academy annually. The governors aim to set aside reserves which are a minimum of 1% of GAG (Government Annual Grant) to take account of issues such as future funding uncertainties and unexpected emergencies.

The unrestricted funds held at 31 August 2016 is £189,666 (2015 - £239,486).

The pension reserve is in deficit at the period end. This represents the defined benefit pension scheme liability as at 31 August 2016.

Investment policy

The academy's current policy is to invest surplus funds in short-term cash deposits. The finance manager regularly reviews cash flow and ensures any surplus funds are held in the academy's interest paying reserve account.

Due to the nature of funding, the academy may at times hold cash balances surplus to its short term requirements. The trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

The Huish Academy Trust

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

Strategic Report

Principal risks and uncertainties

The trustees have assessed the major risks to which the academy is exposed and a risk register is maintained and regularly reviewed. The trustees have implemented systems to assess risks faced by the academy, especially in operation areas such as in relation to teaching, health & safety, bullying, school trips and to the control of Finance. They have introduced systems to include operation procedures (eg: vetting of new staff and visitors and supervision and security of school grounds) and internal financial controls and in conjunction with Somerset County Council, carry out checks on internal financial controls to monitor compliance. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The main risks have been identified as follows;

Income - as the academy is funded from one main source, the DfE, there is reliance on this funding remaining at a level sufficient to cover the financial requirements of the academy. This is outside the control of the academy.

Student numbers - as the DfE funding is based on student numbers the academy is reliant on the demographics of the catchment area. The academy is reviewing its marketing strategy to promote the academy and encourage more students to take up places.

Risk of Fraud/Mis-management - the academy has appointed Somerset County Council to act as responsible officer to carry out checks on financial system and records as required by the Academy Financial Handbook.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Staffing - the success of the academy is reliant on the quality of its staff and so the trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Reputational - the continuing success of the academy is dependant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

The Huish Academy Trust

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

Strategic Report

Plans for future periods

The academy will continue to build on improving academic results and ensure that all students are challenged and have the opportunity to fulfil their potential. Future plans for further improvements are in the following areas:

1. Increasing the proportion of teaching that is good and outstanding.
2. Developing literacy and numeracy initiatives across the curriculum.
3. Improving feedback to students through high quality assessment and marking.
4. Improving student progress further with a specific focus on more able students.
5. Further development of leadership and management.
6. Further enhancing communication within the academy and the image within the community.

Huish Primary School became a Multi Academy Trust in August 2015. During September 2015 Huish Academy Trust became the sponsor for a new school, Primrose Lane Primary School, positioned within the new Wyndham Park Development in Yeovil.

This provision will initially be a one form entry school. The children in Reception at Primrose Lane Primary, which officially opened in September 2016, are currently hosted at Huish Primary School, while their new school is being built; the building is due for completion in Easter 2017.

The Huish Academy Trust

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

Funds held as Custodian Trustee on behalf of others

The academy does not hold, and the trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

Auditor

In so far as the trustees are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Milsted Langdon LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, was approved by order of the board of trustees, as the company directors, on 22/11/16 and signed on the board's its behalf by:



J Bachrach
Governor and trustee

The Huish Academy Trust

Governance Statement

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Huish Academy 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 the Headteacher, P Price, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Huish Academy 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 5 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
R Beaver	5	5
V Hillier-Nickels	5	5
P L Noone	3	5
A D Hutchings	4	5
J Bachrach	5	5
R J Bayley	5	5
P Price	5	5
S Goodchild	2	5
S Miller	4	5
J Roberts	4	5
B Geary	3	3
C Rowswell	3	3
A Fossey	3	5
A Sherrard	5	5
B Reina	0	0

B Geary and C Rowswell were appointed as Trustees on 7 March 2016. B Reina resigned as a Trustee on 21 September 2015. The reason for B Reina's resignation was that he could not give the important role the time it duly required and deserved owing to work commitments which changed in academic year September 2015 to August 2016 from previous academic year when he took on the role.

The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the full governing body, by ensuring more detailed consideration is given to the academy's finance, including proper planning, monitoring and financial reporting. Attendance at meetings in the year was as follows:

The Huish Academy Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
V Hillier-Nickels	5	5
J Bachrach	5	5
P Price	5	5
A Fossey	3	5
J Roberts	0	5

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

The academy instigated a tendering process for the provision of catering services. As well as price and value for money, all considerations were taken into account including reliability, performance, quality of food and service. The new caterers are providing great value for money and improved quality of meals provided.

Purchase of computer hardware and software is carefully considered with more than one quote requested for larger orders. Quality of service, knowledge of the school systems and cost are taken into account. Certain items are able to be purchased at cost which creates considerable savings.

We regularly make price comparisons with a range of suppliers, for high volume educational supplies such as photocopier paper and laminating pouches, to ensure lowest prices are obtained without jeopardizing quality or availability.

We consult other schools and academies in our area to compare services and pricing of goods from their suppliers, because we know collaboration and the sharing of information has a considerable cost saving benefit.

We continue to use a structured tendering model which allows scoring of suppliers against cost, suitability, reputation, timescales and experience in schools. This means we can ensure that best value is achieved in all our major expenditures.

We also continue to review all academy contracts on a regular basis to ensure that we maintain the best value and service provision possible for our academy.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 The Huish Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

The Huish Academy Trust

Governance Statement (continued)

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

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

- to appoint Somerset County Council as internal auditor

The auditor'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 payroll systems
- testing of purchase systems
- testing of income systems
- testing of general financial operations

Four times a year, the auditor reports to the board of trustees, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

Review of effectiveness

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

The Huish Academy Trust

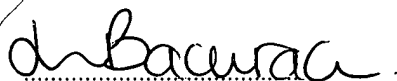
Governance Statement (continued)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 22/11/16 and signed on its behalf by:



P Price
Accounting officer
Governor and trustee



J Bachrach
Governor and trustee

The Huish Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of The Huish Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

Pauline Price

P Price
Accounting officer

Date: 22/11/16

The Huish Academy Trust

Statement of Trustees' Responsibilities

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

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

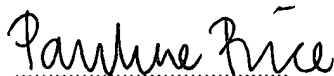
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 22/11/16 and signed on its behalf by:



P Price

Governor and trustee

The Huish Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Huish Academy Trust

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

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

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 23), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, Charities SORP 2015 and Academies Accounts Direction 2015 to 2016; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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


The Huish Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Huish Academy Trust (continued)

Matters on which we are required to report by exception

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

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


.....
Mr Gary Salter (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Motivo House
Yeovil
BA20 2FG

Date: 25 November 2016

The Huish Academy Trust

Independent Reporting Accountant's Report on Regularity to The Huish Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 9 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Huish Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Huish Academy Trust accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Huish Academy Trust's funding agreement with the Secretary of State for Education dated 27 November 2013 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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


Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed as presenting a high risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such control, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

The Huish Academy Trust

Independent Reporting Accountant's Report on Regularity to The Huish Academy Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


.....
Mr Gary Salter
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Motivo House
Yeovil
BA20 2FG

Date: 25 November 2016

The Huish Academy Trust

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	-	17,045	6,543	23,588	21,683
<i>Charitable activities:</i>						
Funding for the academy's educational operations	3	3,406	1,819,914	8,736	1,832,056	1,986,637
Other trading activities	4	47,702	13,231	-	60,933	61,852
Investments	5	459	-	-	459	463
Total		51,567	1,850,190	15,279	1,917,036	2,070,635
Expenditure on:						
Raising funds	6	-	-	-	-	765
<i>Charitable activities:</i>						
Academy trust educational operations	7	1,630	1,920,033	98,141	2,019,804	1,938,106
Total		1,630	1,920,033	98,141	2,019,804	1,938,871
Net income/(expenditure)		49,937	(69,843)	(82,862)	(102,768)	131,764
Transfers between funds		(99,757)	27,800	71,957	-	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	22	-	(303,000)	-	(303,000)	65,000
Net movement in funds		(49,820)	(345,043)	(10,905)	(405,768)	196,764
Reconciliation of funds						
Total funds brought forward at 1 September 2015	14	239,486	(389,957)	3,753,818	3,603,347	3,406,583
Total funds carried forward at 31 August 2016	14	189,666	(735,000)	3,742,913	3,197,579	3,603,347

The Huish Academy Trust
(Registration number: 08756412)
Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	3,742,913	3,547,491
Current assets			
Debtors	12	46,275	45,077
Cash at bank and in hand		<u>272,450</u>	<u>510,091</u>
		318,725	555,168
Liabilities			
Creditors: amounts falling due within one year	13	<u>(129,059)</u>	<u>(99,312)</u>
Net current assets		<u>189,666</u>	<u>455,856</u>
Total assets less current liabilities		<u>3,932,579</u>	<u>4,003,347</u>
Net assets excluding pension liability		3,932,579	4,003,347
Defined benefit pension scheme liability	22	<u>(735,000)</u>	<u>(400,000)</u>
Total net assets including pension liability		<u><u>3,197,579</u></u>	<u><u>3,603,347</u></u>
Funds of the academy trust:			
Restricted funds			
General fund		-	10,043
Fixed asset fund		3,742,913	3,753,818
Pension reserve		<u>(735,000)</u>	<u>(400,000)</u>
Total restricted funds		3,007,913	3,363,861
Unrestricted funds			
General fund		<u>189,666</u>	<u>239,486</u>
Total funds	14	<u><u>3,197,579</u></u>	<u><u>3,603,347</u></u>

The financial statements on pages 28 to 53 were approved by the trustees and authorised for issue on 22/11/16 and are signed on their behalf by:

Pauline Price
P Price
Governor and trustee

The Huish Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	48,920	183,152
Cash flows from investing activities	19	<u>(286,561)</u>	<u>(38,860)</u>
Change in cash and cash equivalents in the year		(237,641)	144,292
Cash and cash equivalents at 1 September		<u>510,091</u>	<u>365,799</u>
Cash and cash equivalents at 31 August	20	<u>272,450</u>	<u>510,091</u>

The Huish Academy Trust

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

1 Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Annual Accounts Direction published by the Education Funding Agency issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Huish Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

The Huish Academy Trust

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

1 Statement of accounting policies (continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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.

The Huish Academy Trust

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

1 Statement of accounting policies (continued)

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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

Asset class	Depreciation method and rate
Leasehold land and buildings	Over 50 years
Leasehold property improvements	Over 50 years
Furniture, fixtures and equipment	10% and 20% straight line
Computer equipment	25% straight line

Liabilities

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

Provisions

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

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

Leased assets

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

The Huish Academy Trust

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

1 Statement of 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 so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

The Huish Academy Trust

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

1 Statement of 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Restricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Capital grants	-	6,543	6,543	4,500
Donations	17,045	-	17,045	17,183
	<u>17,045</u>	<u>6,543</u>	<u>23,588</u>	<u>21,683</u>

The Huish Academy Trust

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

3 Funding for academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
DfE/EFA capital grants					
Capital grant	-	-	-	-	211,923
Devolved capital grant	-	-	8,736	8,736	8,725
	-	-	8,736	8,736	220,648
DfE/EFA revenue grants					
General annual grant (GAG)	-	1,444,765	-	1,444,765	1,453,268
Pupil premium	-	99,751	-	99,751	106,812
Wyndham Project grant income	-	25,000	-	25,000	-
Other EFA grant income	-	144,678	-	144,678	146,268
	-	1,714,194	-	1,714,194	1,706,348
Other government grants					
Individually assigned resources	-	34,197	-	34,197	27,463
Wyndham Project grant income	-	46,187	-	46,187	-
	-	80,384	-	80,384	27,463
Non-government grants and other income					
Parental contributions	1,588	24,961	-	26,549	30,619
Other income	1,818	375	-	2,193	1,559
	3,406	25,336	-	28,742	32,178
Total grants	3,406	1,819,914	8,736	1,832,056	1,986,637

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	5,626	-	5,626	4,072
Catering income	-	11,633	11,633	840
Other sales	-	1,598	1,598	1,529
External training	42,076	-	42,076	55,411
	47,702	13,231	60,933	61,852

The Huish Academy Trust

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

5 Investment income

	Unrestricted funds £	Total 2016 £	Total 2015 £
Bank interest	<u>459</u>	<u>459</u>	<u>463</u>

6 Expenditure

	Staff costs £	Premises £	Non Pay Expenditure Other costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds	-	-	-	-	765
Academy's educational operations					
Direct costs	1,359,887	-	157,467	1,517,354	1,473,598
Allocated support costs	<u>78,233</u>	<u>145,562</u>	<u>278,655</u>	<u>502,450</u>	<u>464,508</u>
	<u>1,438,120</u>	<u>145,562</u>	<u>436,122</u>	<u>2,019,804</u>	<u>1,938,871</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Operating leases - other leases	1,626	2,033
Fees payable to auditor - audit	5,050	3,750
Fees payable to auditor - other services	<u>4,487</u>	<u>8,234</u>

The Huish Academy Trust

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

7 Charitable activities

		Total 2016 £	Total 2015 £
Direct costs - educational operations		1,517,354	1,473,598
Support costs - educational operations		<u>502,450</u>	<u>464,508</u>
		<u>2,019,804</u>	<u>1,938,106</u>
	Educational operations £	Total 2016 £	Total 2015 £
Analysis of support costs			
Support staff costs	78,233	78,233	75,453
Depreciation	98,141	98,141	83,697
Technology costs	2,213	2,213	230
Premises costs	47,421	47,421	73,197
Other support costs	266,840	266,840	219,947
Governance costs	<u>9,602</u>	<u>9,602</u>	<u>11,984</u>
Total support costs	<u>502,450</u>	<u>502,450</u>	<u>464,508</u>

8 Staff

Staff costs

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	1,121,167	1,086,825
Social security costs	79,233	67,165
Pension costs	<u>190,891</u>	<u>163,274</u>
	1,391,291	1,317,264
Supply teacher costs	<u>46,829</u>	<u>49,969</u>
	<u>1,438,120</u>	<u>1,367,233</u>

The Huish Academy Trust

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

8 Staff (continued)

Staff numbers

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

	2016	2015
	No	No
Charitable Activities		
Teachers	18	18
Administration and support	36	34
Management	4	4
	<u>58</u>	<u>56</u>

Higher paid staff

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

	2016	2015
	No	No
£60,001 - £70,000	1	1
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £290,294 (2015: £276,788).

The Huish Academy Trust

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

9 Related party transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

P Price (Headteacher and trustee):

Remuneration: £75,000 - £80,000 (2015 - £75,000 - £80,000)

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

V Hillier-Nickels (staff trustee):

Remuneration: £65,000 - £70,000 (2015 - £65,000 - £70,000)

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

A Fossey (staff trustee):

Remuneration: £45,000 - £50,000 (2015 - £45,000 - £50,000)

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

A Sherrard (staff trustee):

Remuneration: £45,000 - £50,000 (2015 - £45,000 - £50,000)

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

S Miller (staff trustee):

Remuneration: £5,000 - £10,000 (2015 - £5,000 - £10,000)

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

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

Other related party transactions involving the trustees are set out in note 23.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £565 (2015 - £527).

The cost of this insurance is included in the total insurance cost.

The Huish Academy Trust

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

11 Tangible fixed assets

	Leasehold land and buildings £	Leasehold property improvements £	Furniture, fixtures and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2015	3,562,000	27,540	53,290	47,667	3,690,497
Additions	-	213,044	51,870	28,649	293,563
At 31 August 2016	<u>3,562,000</u>	<u>240,584</u>	<u>105,160</u>	<u>76,316</u>	<u>3,984,060</u>
Depreciation					
At 1 September 2015	111,092	551	13,562	17,801	143,006
Charge for the year	<u>63,480</u>	<u>4,091</u>	<u>11,491</u>	<u>19,079</u>	<u>98,141</u>
At 31 August 2016	<u>174,572</u>	<u>4,642</u>	<u>25,053</u>	<u>36,880</u>	<u>241,147</u>
Net book value					
At 31 August 2016	<u>3,387,428</u>	<u>235,942</u>	<u>80,107</u>	<u>39,436</u>	<u>3,742,913</u>
At 31 August 2015	<u>3,450,908</u>	<u>26,989</u>	<u>39,728</u>	<u>29,866</u>	<u>3,547,491</u>

12 Debtors

	2016 £	2015 £
VAT recoverable	16,262	16,885
Prepayments and accrued income	<u>30,013</u>	<u>28,192</u>
	<u>46,275</u>	<u>45,077</u>

The Huish Academy Trust

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

13 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	41,076	19,837
Other taxation and social security	23,967	21,088
Accruals	7,550	5,250
Deferred income	32,247	31,865
Pension scheme creditor	24,219	21,272
	<u>129,059</u>	<u>99,312</u>
		2016
		£

Deferred income

Deferred income at 1 September 2015	31,865
Resources deferred in the period	32,247
Amounts released from previous periods	<u>(31,865)</u>
Deferred income at 31 August 2016	<u>32,247</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals relating to the year 2016/17.

The Huish Academy Trust

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

14 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General annual grant (GAG)	10,043	1,444,765	(1,482,608)	27,800	-
Pupil premium	-	99,751	(99,751)	-	-
Other Government grants	-	80,384	(80,384)	-	-
Other restricted funds	-	55,612	(55,612)	-	-
Other DfE/EFA grants	-	169,678	(169,678)	-	-
	<u>10,043</u>	<u>1,850,190</u>	<u>(1,888,033)</u>	<u>27,800</u>	<u>-</u>
Restricted fixed asset funds					
Transfer from local authority on conversion	3,481,334	-	(68,823)	-	3,412,511
DfE/EFA capital grant and donations	242,485	8,736	(11,017)	-	240,204
Capital expenditure from GAG	21,089	-	(17,592)	71,957	75,454
Non-Government capital donations	<u>8,910</u>	<u>6,543</u>	<u>(709)</u>	<u>-</u>	<u>14,744</u>
	<u>3,753,818</u>	<u>15,279</u>	<u>(98,141)</u>	<u>71,957</u>	<u>3,742,913</u>
Restricted pension funds					
Pension reserve	<u>(400,000)</u>	<u>-</u>	<u>(32,000)</u>	<u>(303,000)</u>	<u>(735,000)</u>
Total restricted funds	<u>3,363,861</u>	<u>1,865,469</u>	<u>(2,018,174)</u>	<u>(203,243)</u>	<u>3,007,913</u>
Unrestricted funds					
Unrestricted general funds	<u>239,486</u>	<u>51,567</u>	<u>(1,630)</u>	<u>(99,757)</u>	<u>189,666</u>
Total funds	<u><u>3,603,347</u></u>	<u><u>1,917,036</u></u>	<u><u>(2,019,804)</u></u>	<u><u>(303,000)</u></u>	<u><u>3,197,579</u></u>

The Huish Academy Trust

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

14 Funds (continued)

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

Restricted general funds

General Annual Grant (GAG) – Income from the EFA which is to be used for the normal running costs of the academy, including education and support costs.

Pupil premium – Income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Other DfE/EFA grants - Represents other grants received that do not fall within GAG such as free school meals.

Other government grants – Represents other grants received with restrictions such as individually assigned resources received from the Local Authority to support students with additional needs.

Other restricted funds - Represents other income received with restrictions.

Transfer between funds - The gross transfers between funds amounts to £27,800. An amount of £99,757 has been transferred from unrestricted funds to restricted general funds to cover money spent on restricted expenditure. An amount of £71,957 has been transferred to restricted fixed asset fund which relates to capital expenditure purchased from GAG income.

Restricted fixed asset funds

Transfers from Local Authority on conversion – This fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the Local Authority which represents the school site inherited from the Local Authority including the leasehold land and buildings and all material items of plant and machinery included therein.

DfE/EFA capital grants and donations – This represents devolved capital grants, specific capital grants from the EFA and donations received for capital purposes that have been received during the period.

Capital expenditure from GAG – This represents fixed assets which were funded from general GAG funding. Resources expended represents depreciation charges on these assets for the year ended 31 August 2016.

Non-Government capital donations - Represents capital donations received from other sources other than the government for capital expenditure.

Transfer between funds - The gross transfers between funds amounts to £71,957 which relates to capital expenditure purchased from GAG income.

Restricted pension funds

Pension reserve – This represents the defined benefit pension scheme liability at 31 August 2016.

The Huish Academy Trust

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

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,742,913	3,742,913
Current assets	189,666	129,059	-	318,725
Current liabilities	-	(129,059)	-	(129,059)
Pension scheme liability	-	(735,000)	-	(735,000)
Total net assets	<u>189,666</u>	<u>(735,000)</u>	<u>3,742,913</u>	<u>3,197,579</u>

16 Capital commitments

	2016 £	2015 £
Contracted for, but not provided in the financial statements	<u>-</u>	<u>206,327</u>

17 Commitments under operating leases

Operating leases

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

	2016 £	2015 £
Within one year	407	1,626
In two and five years	<u>-</u>	<u>406</u>
	<u>407</u>	<u>2,032</u>

The Huish Academy Trust

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

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

	2016 £	2015 £
Net (expenditure)/income	(102,768)	131,764
Depreciation	98,141	83,697
Capital grants from DfE and other capital income	(6,543)	(4,500)
Interest receivable	(459)	(463)
Defined benefit pension scheme cost less contributions payable	18,000	29,000
Defined benefit pension scheme finance cost	14,000	12,000
(Increase)/decrease in debtors	(1,198)	12,840
Increase/(decrease) in creditors	29,747	(81,186)
Net cash provided by operating activities	<u>48,920</u>	<u>183,152</u>

19 Cash flows from investing activities

	2016 £	2015 £
Dividends, interest and rents from investments	459	463
Purchase of tangible fixed assets	(293,563)	(43,823)
Capital funding received from sponsors and others	6,543	4,500
Net cash used in investing activities	<u>(286,561)</u>	<u>(38,860)</u>

20 Analysis of cash and cash equivalents

	At 31 August 2016 £	At 31 August 2015 £
Cash at bank and in hand	<u>272,450</u>	<u>510,091</u>
Total cash and cash equivalents	<u>272,450</u>	<u>510,091</u>

21 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.

The Huish Academy Trust

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

22 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 . Both are multi-employer defined benefit schemes.

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

Contributions amounting to £24,219 (2015 - £21,272) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The Huish Academy Trust

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

22 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £212,400 (2015: £188,863).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £80,000 (2015 - £71,000), of which employer's contributions totalled £61,000 (2015 - £54,000) and employees' contributions totalled £19,000 (2015 - £17,000). The agreed contribution rates for future years are 18.1% per cent for employers and 5.5% - 12.5% per cent for employees.

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

Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	4.10	4.50
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	2.20	4.00
Inflation assumptions (CPI)	2.30	2.70
RPI increases	3.20	3.60
Commutation of pensions to lump sums	50.00	50.00

Sensitivity analysis

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

	+ 0.1%	0.0%	- 0.1%
Adjustment to discount rate	£	£	£
Present value of total obligation	1,169,000	1,198,000	1,228,000
Projected service cost	137,000	140,000	144,000
	+ 0.1%	0.0%	- 0.1%
Adjustment to rate of inflation	£	£	£
Present value of total obligation	1,223,000	1,198,000	1,174,000
Projected service cost	143,000	140,000	137,000

The Huish Academy Trust

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

22 Pension and similar obligations (continued)

	+ 0.1%	0.0%	- 0.1%
	£	£	£
Adjustment to rate of salary growth			
Present value of total obligation	1,203,000	1,198,000	1,193,000
Projected service cost	140,000	140,000	140,000
	<u>+ 1 Year</u>	<u>None</u>	<u>- 1 Year</u>
	£	£	£
Adjustment to mortality age rating assumption			
Present value of total obligation	1,229,000	1,198,000	1,168,000
Projected service cost	144,000	140,000	137,000

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	23.80	23.70
Females	26.20	26.10
Retiring in 20 years		
Males	26.10	26.00
Females	<u>28.50</u>	<u>28.40</u>

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

	At 31 August 2016	At 31 August 2015
	£	£
Equities	320,000	232,000
Gilts	31,000	22,000
Other bonds	52,000	34,000
Property	47,000	33,000
Cash	<u>13,000</u>	<u>6,000</u>
Total market value of assets	463,000	327,000
Present value of scheme liabilities - funded	<u>(1,198,000)</u>	<u>(727,000)</u>
Deficit in the scheme	<u>(735,000)</u>	<u>(400,000)</u>

The actual return on scheme assets was £58,000 (2015 - £9,000).

The Huish Academy Trust

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

22 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	(18,000)	(29,000)
Net interest cost	(14,000)	(12,000)
Total operating charge	<u>(32,000)</u>	<u>(41,000)</u>

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

	2016 £	2015 £
At 1 September	727,000	686,000
Current service cost	95,000	83,000
Interest cost	29,000	29,000
Employee contributions	19,000	17,000
Actuarial losses/(gains)	354,000	(73,000)
Benefits paid	10,000	(15,000)
Curtailements and settlements	<u>(36,000)</u>	<u>-</u>
At 31 August	<u>1,198,000</u>	<u>727,000</u>

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

	2016 £	2015 £
At 1 September	327,000	262,000
Interest income	15,000	12,000
Return on plan assets (excluding net interest on the net defined pension liability)	43,000	(3,000)
Actuarial gains	8,000	-
Employer contributions	61,000	54,000
Employee contributions	19,000	17,000
Benefits paid	10,000	(15,000)
Plan introductions, benefit changes, curtailments and settlements	<u>(20,000)</u>	<u>-</u>
At 31 August	<u>463,000</u>	<u>327,000</u>

23 Related party transactions

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

The following related party transaction took place in the period of account.

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

23 Related party transactions (continued)

Bayley Electrical Limited

(a company in which R J Bayley, governor and trustee, is a director and shareholder)

During the year the academy received goods and services from Bayley Electrical Limited amounting to £479 (2015 - £2,343). The transactions were carried out at arms length and were in accordance with the academy's finance policy.

In entering into the transaction the academy has complied with the requirements of the EFA's Academies Financial Handbook.

Mrs C Hillier-Nickels

(Spouse of trustee)

During the year gross remuneration of £25,529 (2015: £nil) was paid to Mrs C Hillier-Nickels, as an employee of the academy trust.

Mr G Price

(Spouse of trustee)

During the year gross remuneration of £18,982 (2015: £17,843) was paid to Mr G Price, as an employee of the academy trust.

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

24 Statement of financial activities for the year ended 31 August 2015

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Income and endowments from:				
Donations and capital grants	-	17,183	4,500	21,683
<i>Charitable activities:</i>				
Funding for the academy's educational operations	3,146	1,762,843	220,648	1,986,637
Other trading activities	59,483	2,369	-	61,852
Investments	463	-	-	463
Total	63,092	1,782,395	225,148	2,070,635
Expenditure on:				
Raising funds	-	765	-	765
<i>Charitable activities:</i>				
Academy trust educational operations	1,674	1,852,735	83,697	1,938,106
Total	1,674	1,853,500	83,697	1,938,871
Net income/(expenditure)	61,418	(71,105)	141,451	131,764
Transfers between funds	(59,911)	34,909	25,002	-
Other recognised gains and losses				
Actuarial (losses) / gains on defined benefit pension schemes	-	65,000	-	65,000
Net movement in funds	1,507	28,804	166,453	196,764
Reconciliation of funds				
Total funds/(deficit) brought forward at 1 September 2014	237,979	(418,761)	3,587,365	3,406,583
Total funds/(deficit) carried forward at 31 August 2015	239,486	(389,957)	3,753,818	3,603,347

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

25 Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of The Huish Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Huish Academy Trust for the year ended 31/08/2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31/08/2015 and the date of transition to FRS 102 and SORP 2015 was therefore 01/09/2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

There were no changes deemed necessary to total funds and net income/(expenditure) as a result of the transition from previous UK GAAP and SORP 2005 to FRS 102 and SORP 2015, as outlined below:

Reconciliation of total funds

	1 September 2014	31 August 2015
Note	£	£
Total funds under previous UK GAAP	<u>3,406,583</u>	<u>3,603,347</u>
Total funds reported under FRS 102	<u>3,406,583</u>	<u>3,603,347</u>

Reconciliation of net income/(expenditure)

	Note	Amount £
Net income/(expenditure) previously reported under UK GAAP		<u>131,764</u>
Net movement in funds reported under FRS 102		<u>131,764</u>