

Registration number: 08756412 (England and Wales)

**The Huish Academy  
Trust (formerly  
Huish Primary  
School)**

(A company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 August 2015

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# **The Huish Academy Trust (formerly Huish Primary School)**

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## **The Huish Academy Trust (formerly Huish Primary School)**

### **Reference and Administrative Details**

#### **Members**

A Newman (resigned 22 September 2014)  
C Snell  
R Beaver  
J Kinder, member of the Finance Committee  
J Bachrach, member of the Finance Committee

#### **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  
A Fossey, Staff trustee and member of the Finance Committee  
A Sherrard, Staff trustee  
A Newman (resigned 22 September 2014)  
C Snell  
R Beaver  
J Kinder  
J Bachrach  
B Reina (appointed 26 January 2015 and resigned 21 September 2015)

#### **Senior Management Team**

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

#### **Company Name**

The Huish Academy Trust (formerly Huish Primary School)

#### **Principal and Registered Office**

Carisbrooke Gardens  
Yeovil  
Somerset  
BA20 1AY

#### **Company Registration Number**

08756412 (England and Wales)

#### **Independent Auditors**

Milsted Langdon LLP  
Motivo House  
Yeovil  
BA20 2FG

**The Huish Academy Trust (formerly Huish Primary School)**

**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 (formerly Huish Primary School)**

### **Trustees' Report for the Year Ended 31 August 2015**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2014 to 31 August 2015. 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 2015 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

##### ***Trustees' indemnities***

The academy through its Articles has indemnified its 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 (formerly Huish Primary School)**

### **Trustees' Report for the Year Ended 31 August 2015 (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 principal 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 principal 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 (formerly Huish Primary School)**

### **Trustees' Report for the Year Ended 31 August 2015 (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 principal, assisting with staff appointments. They hold the principal 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 principal 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.

#### ***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).

**The Huish Academy Trust (formerly Huish Primary School)**  
**Trustees' Report for the Year Ended 31 August 2015 (continued)**

**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 2015 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.

***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 2014-15 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 2014-2015 were as follows:

Priority 1: To meet the attainment and progress targets shown on the RAP for all children in English and Maths, and for the associated areas in the Foundation stage.

English – To begin to plan for new curriculum; To review provision for speaking and listening in order to raise further attainment.

Maths – To continue to raise standards in Mathematics.

Priority 2: Continue to raise the quality of teaching so that all teaching is very good or outstanding.

Priority 3: Computing - To raise awareness of the new curriculum and to ensure E-safety is embedded across the school.

Priority 4: To further develop leadership at all levels.



**The Huish Academy Trust (formerly Huish Primary School)**  
**Trustees' Report for the Year Ended 31 August 2015 (continued)**

***Objectives, strategies and activities (continued)***

The specific priorities in the SDP for 2015-2016 are as follows:

Priority 1 : Raising pupil Attainment and Achievement foci are:

To raise standards of attainment in all areas through Quality First teaching and targeted intervention programmes.

To meet ambitious attainment targets for all pupils in English and maths.

To meet the attainment and progress targets shown on the RAP for all children in English and Maths.

To develop and enhance a robust system, for assessing pupil progress, in English and Maths. To ensure this system is clear and aids planning, in year assessments and systematic analysis of trends.

To improve the teaching of mathematics in line with new expectations of a mastery curriculum and develop maths across the curriculum.

Priority 2: Quality of Learning / Safeguarding

To further improve the teaching of English in line with the expectations of the new curriculum and to develop cross-curricular opportunities following the restructuring of humanities planning.

To ensure maximum safety for our children by

- Maintaining current staff levels of child protection training.
- Developing our e-safety systems.
- Review and develop existing policies associated with safeguarding/child protection.

Priority 3: Curriculum Development

To develop our International links through a focus on the international agenda.

To strengthen global understanding, both within school and in our local community.

To review the teaching and learning opportunities afforded by the new Geography and History units.

To develop our curriculum to ensure appropriate opportunity to ensure British Values are embedded in the curriculum.

Priority 4: Buildings focus is:

To maximise the use of all buildings and grounds to provide safe and exciting learning experiences.

Priority 5: Community foci are:

To continue to support school to school improvement in other schools within the Yeovil federation and beyond.

To increase understanding of the new English and Maths curriculum through regular parents events.

To further develop communications between the school and its stakeholders.

***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 (formerly Huish Primary School)**

### **Trustees' Report for the Year Ended 31 August 2015 (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 broadly average. Rapid progress across the reception year and KS1 means that cohorts achieve well above national average by the end of KS1.

In 2015, by the end of reception, 83% of pupils achieved a good level of development in ELG 1-12, and 83% achieved a GLD in all components.

Outcomes are well above 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 Maths, attainment for boys and girls by the end of KS1 is broadly similar, with both groups attaining well above the national average, despite being broadly average on entry. Girls outperform boys at Level 3 in reading and writing, but boys are still achieving well above the national average. In Maths, boys and girls both achieve equally well at level 3 and are well above the national average.

In maths, by the end of KS2, progress for girls is 13.18 and for boys it is 14.02 which represents very good progress. Attainment for both groups is well above the national average.

In reading, progress for both groups is good, but boys performed slightly better in 2015, with 13.54 points progress. Attainment for both groups is above the national average.

In writing, both boys and girls make excellent progress. Progress for girls is 14.37 and for boys it's 13.98. Attainment for both groups is well above the national average.

**The Huish Academy Trust (formerly Huish Primary School)**  
**Trustees' Report for the Year Ended 31 August 2015 (continued)**

**Strategic Report**

**Achievements and performance (continued)**

**Pupil Premium**

In year 2, there were 18 children in receipt of the pupil premium.

In maths attainment was 15.98 which is slightly above the national average. Progress for this group was good at 6 points over a year.

In reading, attainment was 16.22 which is slightly above the national average. Progress for this group was good, at 4.78 points over a year.

In writing, attainment for this group was 15.11 which is at the national average. Progress was good at 4.98 points over a year.

At the end of KS2 there were 7 children in receipt of pupil premium.

Because these figures are so small, one child who did not attain a L4 in maths has depressed the final APS scores in maths to 26.14. All other pupil premium children gained a L4 and all other children made at least 2 levels progress.

In reading, attainment for this group was 27.00, which is the national average. All children made at least 2 levels progress.

In writing, attainment for this group was 28.71, which is above the national average. Progress for this group was 4.46, which is high, but this is a small group. All children made at least 2 levels progress.

**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 2015, EAL children have effectively caught up and often exceeded the outcomes of non EAL children, with APS in all core subjects which are significantly above the national average.

**SEN**

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

By the end of KS2 in 2015, there were 6 children with SEN. All made outstanding progress in reading and writing to bring them close to national averages, despite a low starting point.

In maths, SEN children made good progress, but processing difficulties prevented them from scoring highly on the mental maths test, which affected their overall level.

**The Huish Academy Trust (formerly Huish Primary School)**  
**Trustees' Report for the Year Ended 31 August 2015 (continued)**

**Strategic Report**

***Key financial performance indicators***

	Unit	2015	2014
Level of reserves	£	3,603,347	3,406,583
Net (expenditure)/income for the year	£	131,764	3,639,583
Net income as a percentage of incoming resources	%	6	73

***Key non-financial performance indicators***

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2015 were 422. 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 2015 this was 94.07%.

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 97.08% during 2014-15. There was only 2.39% authorised absence and 0.53% 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 2015 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 2005), such grants are shown in the Statement of Financial Activities as restricted income.

During the year ended 31 August 2015, total expenditure of £1,938,871 (2014 - £1,330,184) was adequately covered by the recurrent grant funding from the DfE together with other incoming resources. For the year ended 31 August 2015 the net excess in funds, after deduction of actuarial losses on the LGPS was £3,603,347 (2014 - £3,406,583).

## **The Huish Academy Trust (formerly Huish Primary School)**

### **Trustees' Report for the Year Ended 31 August 2015 (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 2% 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 2015 is £239,486 (2014 - £237,979).

The pension reserve is in deficit at the period end. This represents the defined benefit pension scheme liability as at 31 August 2015.

##### ***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 (formerly Huish Primary School)**

### **Trustees' Report for the Year Ended 31 August 2015 (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.

##### ***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.

**The Huish Academy Trust (formerly Huish Primary School)**

**Trustees' Report for the Year Ended 31 August 2015 (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 16/11/15 and signed on the board's behalf by:



J Bachrach  
Trustee

## **The Huish Academy Trust (formerly Huish Primary School)**

### **Governance Statement**

#### **Scope of responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Huish Academy Trust (formerly Huish Primary School) and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### **Governance**

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Newman	1	1
C Snell	3	6
R Beaver	6	6
V Hillier-Nickels	6	6
P L Noone	6	6
A D Hutchings	5	6
J Kinder	6	6
J Bachrach	6	6
R J Bayley	6	6
P Price	6	6
S Goodchild	4	6
S Miller	4	6
J Roberts	4	6
A Fossey	6	6
A Sherrard	5	6
B Reina	3	4

B Reina was appointed governor on 26 January 2015.

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 the academy's finance, including proper planning, monitoring and financial reporting.



## **The Huish Academy Trust (formerly Huish Primary School)**

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
V Hillier-Nickels	4	4
J Kinder	4	4
J Bachrach	4	4
P Price	3	4
A Fossey	4	4

#### **Review of value for money**

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

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

#### **Improving educational outcomes:**

The proportion of pupils exceeding expected progress in reading, writing and mathematics by the end of KS2 has been consistently higher compared to national averages. This is evident again in 2015.

Value added progress by the end of KS2 has consistently been above the national average. At the end of 2015, the cohort has achieved scores significantly above the national average in writing and mathematics and reading.

Gaps in attainment between the Pupil Premium Group and the non-Pupil Premium group narrows 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.

#### **Targeted Improvement and Focus on Individual pupils:**

Huish has utilised three senior teachers to teach smaller groups of children in Years 3,4,5 and 6. This ensures enhanced progress for the least able and most able children with setting across three groups. In addition, there is an additional teacher who supports smaller groups of younger children to achieve accelerated progress.

## **The Huish Academy Trust (formerly Huish Primary School)**

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

#### **Review of value for money (continued)**

##### **Financial Governance and Oversight**

The trustees' responsibilities at Huish Primary School are demonstrated by:

Employing an external Responsible Officer whose role is to provide the trust with independent assurance that:  
The financial responsibilities are being properly discharged  
Resources are managed in an efficient, economical and effective manner  
Systems of internal financial control are being maintained  
Financial considerations are fully taken into account in reaching decisions

The Responsible Officer produces at least termly reports on the academy's financial systems to demonstrate compliance with the school's Finance Policy.

In addition to an auditor's report expressing an opinion on the financial statements, a report providing a conclusion on regularity is produced by the trust's accountants and also published in the Annual Accounts.

The trustees receive financial reports and budget monitoring statements at their termly Finance Committee meetings.

There are system ad hoc checks by the Accounting Officer.

##### **Better Purchasing**

We instigated a tendering process for the provision of our cleaning services. All considerations were taken into account including reliability, performance, suitability and of course cost. The new company is providing a better level of service and is more responsive to the needs of the school.

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 take advantage of the 12% discount negotiated by Somerset County Council with the Consortium for the majority of our everyday educational supplies. We also make use of the Somerset County Council Energy Purchasing Scheme ensuring we obtain best prices from our energy suppliers.

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 loss of quality and timely deliveries are received.

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 cost saving effect.

We have also created a structured tendering model which allows scoring against cost, suitability, reputation, timescales and experience in schools. This ensures best value for all major expenditures.

All Academy contracts are reviewed regularly to ensure we always obtain best value and maintain the best service provision possible for the Academy.

## **The Huish Academy Trust (formerly Huish Primary School)**

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

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Huish Academy Trust (formerly Huish Primary School) for the year 1 September 14 to 31 August 15 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2014 to 31 August 2015 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 control account / bank reconciliations

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

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

## **The Huish Academy Trust (formerly Huish Primary School)**

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

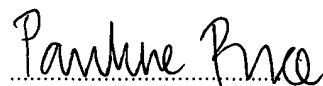
#### **Review of effectiveness**

As accounting officer, the principal 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 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 address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 16/11/15 and signed on its behalf by:



P Price  
Accounting Officer



J Bachrach  
Governor and trustee

**The Huish Academy Trust (formerly Huish Primary School)**

**Statement on Regularity, Propriety and Compliance**

As accounting officer of The Huish Academy Trust (formerly Huish Primary School) 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.

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.

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.

*Pamela Price*

P Price  
Accounting officer

Date: 16.11.15

## **The Huish Academy Trust (formerly Huish Primary School)**

### **Statement of Trustees' Responsibilities**

The trustees (who act as governors of The Huish Academy Trust (formerly Huish Primary School) 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 16/11/15 and signed on its behalf by:

*Pamela Price*

P Price  
Trustee

## **The Huish Academy Trust (formerly Huish Primary School)**

### **Independent Auditor's Report to the Members of The Huish Academy Trust (formerly Huish Primary School)**

We have audited the financial statements of The Huish Academy Trust (formerly Huish Primary School) for the year ended 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 20), the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 academy trust'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 Trustee's 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 academy trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

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


**The Huish Academy Trust (formerly Huish Primary School)**

**Independent Auditor's Report to the Members of The Huish Academy Trust (formerly Huish Primary School) (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

18 November 2015



## **The Huish Academy Trust (formerly Huish Primary School)**

### **Independent Reporting Accountant's Assurance Report on Regularity to The Huish Academy Trust (formerly Huish Primary School) and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 10 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Huish Academy Trust (formerly Huish Primary School) during the year 1 September 2014 to 31 August 2015 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 (formerly Huish Primary School) and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Huish Academy Trust (formerly Huish Primary School) 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 (formerly Huish Primary School) and EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of The Huish Academy Trust (formerly Huish Primary School)'s accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Huish Academy Trust (formerly Huish Primary School)'s funding agreement with the Secretary of State for Education dated 27 November 2013 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 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.

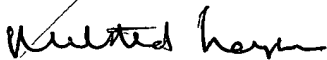
Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a high risk 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 (formerly Huish Primary School)**

**Independent Reporting Accountant's Assurance Report on Regularity to The Huish Academy Trust (formerly Huish Primary School) 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 year 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

18 November 2015

**The Huish Academy Trust (formerly Huish Primary School)**

**Statement of Financial Activities for the Year Ended 31 August 2015  
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

					Total 31 October 2013 to 31 August 2014
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income					
Transfer on conversion	2	-	-	-	3,642,462
Other voluntary income	2	-	17,183	4,500	21,683
Activities for generating funds	3	59,483	2,369	-	61,852
Investment income	4	463	-	-	463
<i>Incoming resources from charitable activities:</i>					
Funding for the academy's educational operations	5	3,146	1,762,843	220,648	1,986,637
<b>Total incoming resources</b>		<u>63,092</u>	<u>1,782,395</u>	<u>225,148</u>	<u>2,070,635</u>
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Cost of generating funds	6	-	765	-	765
Fundraising trading		-	-	-	-
<i>Charitable activities:</i>					
Academy trust's educational operations	7	1,674	1,840,751	83,697	1,926,122
Governance costs	8	-	11,984	-	11,984
<b>Total resources expended</b>	6	<u>1,674</u>	<u>1,853,500</u>	<u>83,697</u>	<u>1,938,871</u>
<b>Net incoming/(outgoing) resources before transfers</b>		61,418	(71,105)	141,451	131,764
Gross transfers between funds	15	<u>(59,911)</u>	<u>34,909</u>	<u>25,002</u>	<u>-</u>
<b>Net income/(expenditure) for the year</b>		1,507	(36,196)	166,453	3,639,583

**The Huish Academy Trust (formerly Huish Primary School)**

**Statement of Financial Activities for the Year Ended 31 August 2015  
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)**

						Total 31 October 2013 to 31 August 2014 £
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	65,000	-	65,000	(233,000)
<b>Net movement in funds</b>		1,507	28,804	166,453	196,764	3,406,583
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2014	15	237,979	(418,761)	3,587,365	3,406,583	-
<b>Total funds carried forward at 31 August 2015</b>	15	239,486	(389,957)	3,753,818	3,603,347	3,406,583

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

**The Huish Academy Trust (formerly Huish Primary School)**

**(Registration number: 08756412)  
Balance Sheet as at 31 August 2015**

	Note	31 August 2015 £	31 August 2014 £
<b>Fixed assets</b>			
Tangible assets	12	3,547,491	3,587,365
<b>Current assets</b>			
Debtors	13	45,077	57,917
Cash at bank and in hand		<u>510,091</u>	<u>365,799</u>
		555,168	423,716
<b>Creditors: amounts falling due within one year</b>	14	<u>(99,312)</u>	<u>(180,498)</u>
<b>Net current assets</b>		<u>455,856</u>	<u>243,218</u>
<b>Total assets less current liabilities</b>		<u>4,003,347</u>	<u>3,830,583</u>
<b>Net assets excluding pension liability</b>		4,003,347	3,830,583
Pension scheme liability	24	<u>(400,000)</u>	<u>(424,000)</u>
<b>Net assets including pension liability</b>		<u>3,603,347</u>	<u>3,406,583</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
Restricted general fund		10,043	5,239
Restricted fixed asset fund		3,753,818	3,587,365
Restricted pension fund		<u>(400,000)</u>	<u>(424,000)</u>
<b>Total restricted funds</b>		3,363,861	3,168,604
<b>Unrestricted income funds</b>			
Unrestricted general fund		<u>239,486</u>	<u>237,979</u>
<b>Total funds</b>	15	<u>3,603,347</u>	<u>3,406,583</u>

The financial statements on pages 25 to 52 were approved by the trustees and authorised for issue on 16/11/15 and are signed on their behalf by:

*Pamela Price*

P Price  
Trustee

**The Huish Academy Trust (formerly Huish Primary School)**

**Cash Flow Statement for the Year Ended 31 August 2015**

	Note	31 August 2015 £	31 August 2014 £
<b>Net cash inflow from operating activities</b>	19	168,831	161,478
Cash transferred on conversion to an academy trust		-	204,686
Returns on investments and servicing of finance	20	463	222
Capital expenditure and financial investment	21	<u>(25,002)</u>	<u>(587)</u>
<b>Increase in cash in the year</b>	22	<u><u>144,292</u></u>	<u><u>365,799</u></u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash in the year		144,292	365,799
Net funds at 1 September 2014		<u>365,799</u>	<u>-</u>
<b>Net funds at 31 August 2015</b>		<u><u>510,091</u></u>	<u><u>365,799</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

# **The Huish Academy Trust (formerly Huish Primary School)**

## **Notes to the Financial Statements for the Year Ended 31 August 2015**

### **1 Statement of accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 - 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **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 one year from the date of approval of the financial statements.

#### **Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### **Grants receivable**

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted fund.

Capital grants are recognised when receivable 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 is certainty of receipt and it is measurable.

#### **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

## **The Huish Academy Trust (formerly Huish Primary School)**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

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

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

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

##### ***Resources expended***

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### ***Cost of generating funds***

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

##### ***Charitable activities***

These are costs incurred on the academy trust's educational operations.

##### ***Governance costs***

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.



## **The Huish Academy Trust (formerly Huish Primary School)**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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 over its expected useful life, 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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
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

##### **Leased assets**

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

##### **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.

## **The Huish Academy Trust (formerly Huish Primary School)**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

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

##### **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 and the assets are held separately from those of the academy trust.

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 quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

##### **Fund accounting**

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

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

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

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**2 Voluntary income**

	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total 2015</b>	<b>Total 31 October 2013 to 31 August 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Transfer on conversion	-	-	-	3,642,462
<b>Other voluntary income</b>				
Donations - capital	-	4,500	4,500	5,750
Donations	17,183	-	17,183	8,518
	<u>17,183</u>	<u>4,500</u>	<u>21,683</u>	<u>14,268</u>
<b>Total voluntary income</b>	<u>17,183</u>	<u>4,500</u>	<u>21,683</u>	<u>3,656,730</u>

**3 Activities for generating funds**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2015</b>	<b>Total 31 October 2013 to 31 August 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hire of facilities	4,072	-	4,072	6,190
Catering income	-	840	840	-
Other sales	-	1,529	1,529	405
External training	55,411	-	55,411	17,156
	<u>59,483</u>	<u>2,369</u>	<u>61,852</u>	<u>23,751</u>

**4 Investment income**

	<b>Unrestricted funds</b>	<b>Total 2015</b>	<b>Total 31 October 2013 to 31 August 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Bank interest	<u>463</u>	<u>463</u>	<u>222</u>

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**5 Funding for academy trust's educational operations**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total 2015 £</b>	<b>Total 31 October 2013 to 31 August 2014 £</b>
<b>DfE/EFA capital grants</b>					
Capital grant	-	-	211,923	211,923	38,561
Devolved capital grant	-	-	8,725	8,725	-
	-	-	220,648	220,648	38,561
<b>DfE/EFA revenue grants</b>					
General annual grant (GAG)	-	1,453,268	-	1,453,268	1,066,611
Pupil premium	-	106,812	-	106,812	68,269
Other EFA grant income	-	146,268	-	146,268	16,778
	-	1,706,348	-	1,706,348	1,151,658
<b>Other government grants</b>					
Individually assigned resources	-	27,463	-	27,463	18,944
Other income	-	-	-	-	63,650
	-	27,463	-	27,463	82,594
<b>Non-government grants and other income</b>					
Parental contributions	1,587	29,032	-	30,619	14,813
Other income	1,559	-	-	1,559	1,438
	3,146	29,032	-	32,178	16,251
<b>Total grants</b>	<b>3,146</b>	<b>1,762,843</b>	<b>220,648</b>	<b>1,986,637</b>	<b>1,289,064</b>

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**6 Resources expended**

	Non pay expenditure				Total 31 October 2013 to 31 August 2014
	Staff costs £	Premises £	Other costs £	Total 2015 £	£
Costs of activities for generating funds	-	-	765	765	-
<b>Academy's educational operations</b>					
Direct costs	1,291,780	83,697	181,818	1,557,295	1,103,207
Allocated support costs	75,453	73,197	220,177	368,827	213,355
	<u>1,367,233</u>	<u>156,894</u>	<u>401,995</u>	<u>1,926,122</u>	<u>1,316,562</u>
<b>Governance costs including allocated support costs</b>	-	-	11,984	11,984	13,622
	<u>1,367,233</u>	<u>156,894</u>	<u>414,744</u>	<u>1,938,871</u>	<u>1,330,184</u>

**Net income/(expenditure) for the year includes:**

	31 August 2015 £	31 October 2013 to 31 August 2014 £
Operating leases - other leases	2,033	1,220
Fees payable to auditor - audit	5,250	3,675
Fees payable to auditor - other audit services	<u>6,734</u>	<u>1,997</u>

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**7 Charitable activities**

	<b>Total 2015 £</b>	<b>Total 31 October 2013 to 31 August 2014 £</b>
<b>Direct costs - educational operations</b>		
Teaching and educational support staff costs	1,291,780	932,284
Depreciation	83,697	59,309
Educational supplies	23,403	14,931
Staff development	74,349	51,375
FRS 17 pension costs less contributions payable	29,000	18,000
Other professional costs	23,977	6,200
Other direct costs	31,089	21,108
	<u>1,557,295</u>	<u>1,103,207</u>
<b>Support costs - educational operations</b>		
Support staff costs	75,453	48,961
Recruitment and support	2,432	1,208
Maintenance of premises and equipment	46,740	26,025
Security and transport	9,825	7,833
Cleaning	28,004	21,930
Rent and rates	11,497	11,097
Light and heat	14,960	13,162
Telephone	1,028	625
Insurance	26,905	14,398
Office costs	3,186	1,848
Catering	69,842	11,878
Computer equipment and materials	230	5,684
Bank interest and charges	87	32
Trade subscriptions	4,394	160
Printing, postage and stationery	1,006	954
Professional fees	25,794	14,213
FRS 17 service cost adjustment	12,000	9,000
Other support costs	34,161	24,347
Travel costs	1,283	-
	<u>368,827</u>	<u>213,355</u>
<b>Total direct and support costs</b>	<u><u>1,926,122</u></u>	<u><u>1,316,562</u></u>

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**8 Governance costs**

	<b>Total 2015 £</b>	<b>Total 31 October 2013 to 31 August 2014 £</b>
Legal and professional fees	-	7,950
<b>Auditors' remuneration</b>		
Audit of financial statements	5,250	3,675
Other audit services	6,734	1,997
	<u>11,984</u>	<u>13,622</u>

**9 Staff**

**Staff costs**

	<b>Total 2015 £</b>	<b>Total 31 October 2013 to 31 August 2014 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	1,086,825	801,478
Social security costs	67,165	45,950
Operating costs of defined benefit pension schemes	163,274	110,030
	<u>1,317,264</u>	<u>957,458</u>
Supply teacher costs	49,969	23,787
	<u>1,367,233</u>	<u>981,245</u>

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**9 Staff (continued)**

**Staff numbers**

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	<b>31 August 2015 No</b>	<b>31 August 2014 No</b>
<b>Charitable Activities</b>		
Teachers	16	15
Administration and support	21	20
Management	<u>4</u>	<u>4</u>
	<u><u>41</u></u>	<u><u>39</u></u>

**Higher paid staff**

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

	<b>31 August 2015 No</b>
£60,001 - £70,000	1
£70,001 - £80,000	<u>1</u>

Two (2014 - None) of the above employees participated in the Teachers' Pension Scheme.



## **The Huish Academy Trust (formerly Huish Primary School)**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

#### **10 Related party transactions - Trustees' remuneration and expenses**

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

P Price (principal and trustee):

Remuneration: £75,000 - £80,000 (2014 - £55,000 - £60,000)

Employer's pension contributions: £10,000 - £15,000 (2014 - £5,000 - £10,000)

V Hillier-Nickels (staff trustee):

Remuneration: £65,000 - £70,000 (2014 - £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2014 - £5,000 - £10,000)

A Fossey (staff trustee):

Remuneration: £45,000 - £50,000 (2014 - £30,000 - £35,000)

Employer's pension contributions: £5,000 - £10,000 (2014 - £0 - £5,000)

A Sherrard (staff trustee):

Remuneration: £45,000 - £50,000 (2014 - £30,000 - £35,000)

Employer's pension contributions: £5,000 - £10,000 (2014 - £0 - £5,000)

S Miller (staff trustee):

Remuneration: £5,000 - £10,000 (2014 - £0 - £5,000)

Employer's pension contributions: £0 - £5,000 (2014 - £0 - £5,000)

During the year ended 31 August 2015, travel and subsistence expenses totalling £Nil (2014 - £Nil) were reimbursed or paid directly to trustee.

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

#### **11 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 2015 was £527 (2014 - £529).

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

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**12 Tangible fixed assets**

	<b>Leasehold land and buildings £</b>	<b>Leasehold property improvements £</b>	<b>Furniture, fixtures and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 September 2014	3,562,000	-	53,290	31,384	3,646,674
Additions	-	27,540	-	16,283	43,823
At 31 August 2015	<u>3,562,000</u>	<u>27,540</u>	<u>53,290</u>	<u>47,667</u>	<u>3,690,497</u>
<b>Depreciation</b>					
At 1 September 2014	47,612	-	5,813	5,884	59,309
Charge for the year	63,480	551	7,749	11,917	83,697
At 31 August 2015	<u>111,092</u>	<u>551</u>	<u>13,562</u>	<u>17,801</u>	<u>143,006</u>
<b>Net book value</b>					
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>
At 31 August 2014	<u>3,514,388</u>	<u>-</u>	<u>47,477</u>	<u>25,500</u>	<u>3,587,365</u>

**13 Debtors**

	<b>31 August 2015 £</b>	<b>31 August 2014 £</b>
Prepayments and accrued income	28,192	38,683
VAT recoverable	<u>16,885</u>	<u>19,234</u>
	<u>45,077</u>	<u>57,917</u>

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**14 Creditors: amounts falling due within one year**

	<b>31 August 2015 £</b>	<b>31 August 2014 £</b>
Trade creditors	19,837	44,406
Other taxation and social security	21,088	20,091
Pension scheme creditor	21,272	20,859
Accruals	5,250	6,222
Deferred income	<u>31,865</u>	<u>88,920</u>
	<u><u>99,312</u></u>	<u><u>180,498</u></u>
		<b>31 August 2015 £</b>

**Deferred income**

Deferred income at 1 September 2014	88,920
Resources deferred in the period	31,865
Amounts released from previous periods	<u>(88,920)</u>
Deferred income at 31 August 2015	<u><u>31,865</u></u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals relating to the year 2015/16.

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**15 Funds**

	<b>Balance at 1 September 2014 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2015 £</b>
<b>Restricted general funds</b>					
General annual grant (GAG)	5,239	1,453,268	(1,483,373)	34,909	10,043
Pupil premium	-	106,812	(106,812)	-	-
Other Government grants	-	27,463	(27,463)	-	-
Other restricted funds	-	48,584	(48,584)	-	-
Other DfE/EFA grants	-	146,268	(146,268)	-	-
	<u>5,239</u>	<u>1,782,395</u>	<u>(1,812,500)</u>	<u>34,909</u>	<u>10,043</u>
<b>Restricted fixed asset funds</b>					
Transfer from local authority on conversion	3,550,156	-	(68,822)	-	3,481,334
DfE/EFA capital grant and donations	36,622	220,648	(14,785)	-	242,485
Capital expenditure from GAG	587	-	-	20,502	21,089
Non-Government capital donations	-	4,500	(90)	4,500	8,910
	<u>3,587,365</u>	<u>225,148</u>	<u>(83,697)</u>	<u>25,002</u>	<u>3,753,818</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(424,000)</u>	<u>-</u>	<u>(41,000)</u>	<u>65,000</u>	<u>(400,000)</u>
<b>Total restricted funds</b>	<u>3,168,604</u>	<u>2,007,543</u>	<u>(1,937,197)</u>	<u>124,911</u>	<u>3,363,861</u>
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>237,979</u>	<u>63,092</u>	<u>(1,674)</u>	<u>(59,911)</u>	<u>239,486</u>
<b>Total funds</b>	<u><u>3,406,583</u></u>	<u><u>2,070,635</u></u>	<u><u>(1,938,871)</u></u>	<u><u>65,000</u></u>	<u><u>3,603,347</u></u>

## **The Huish Academy Trust (formerly Huish Primary School)**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

#### **15 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 £34,909. An amount of £55,411 has been transferred from unrestricted funds to restricted general funds to cover money spent on restricted expenditure. An amount of £20,502 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 2015.

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 £25,002 of which £20,502 relates to capital expenditure purchased from GAG income and £4,500 relates to a transfer from the unofficial school funds.

##### **Restricted pension funds**

Pension reserve – This represents the defined benefit pension scheme liability at 31 August 2015.

# **The Huish Academy Trust (formerly Huish Primary School)**

## **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

### **15 Funds (continued)**

#### **Unrestricted funds**

Unrestricted general funds - This represents income received that do not have restrictions such as lettings.

Transfer between funds - The gross transfers between funds amounts to £59,911. £55,411 has been transferred to the restricted general fund to cover money spent on restricted expenditure and £4,500 has been transferred to the restricted fixed asset fund in relation to a fixed asset purchase.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015

### **16 Analysis of net assets between funds**

	<b>Unrestricted funds £</b>	<b>Restricted general funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Tangible fixed assets	-	-	3,547,491	3,547,491
Current assets	239,486	109,355	206,327	555,168
Current liabilities	-	(99,312)	-	(99,312)
Pension scheme liability	-	(400,000)	-	(400,000)
<b>Total net assets</b>	<b>239,486</b>	<b>(389,957)</b>	<b>3,753,818</b>	<b>3,603,347</b>

### **17 Capital commitments**

**31 August  
2015  
£**

Contracted for, but not provided in the financial statements

**206,327**

### **18 Financial commitments**

#### **Operating leases**

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

#### **Operating leases which expire:**

	<b>31 August 2015 £</b>	<b>31 August 2014 £</b>
<b>Other</b>		
Within two to five years	<b>1,626</b>	<b>1,626</b>

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**19 Reconciliation of net income to net cash inflow from operating activities**

	<b>31 August 2015</b>	<b>31 August 2014</b>
	<b>£</b>	<b>£</b>
Net income	131,764	3,639,583
Depreciation (note 12)	83,697	59,309
Donated capital and capital grants	(18,821)	(44,311)
Interest receivable (note 4)	(463)	(222)
FRS 17 pension costs less-contributions payable	29,000	18,000
FRS17 service cost adjustment (note 24)	12,000	9,000
Net assets transferred on conversion to an academy trust	-	(3,642,462)
Decrease/(increase) in debtors	12,840	(57,917)
(Decrease)/increase in creditors	<u>(81,186)</u>	<u>180,498</u>
<b>Net cash provided by operating activities</b>	<u><u>168,831</u></u>	<u><u>161,478</u></u>

**20 Returns on investments and servicing of finance**

	<b>31 August 2015</b>	<b>31 August 2014</b>
	<b>£</b>	<b>£</b>
Interest received	<u>463</u>	<u>222</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>	<u><u>463</u></u>	<u><u>222</u></u>

**21 Capital expenditure and financial investment**

	<b>31 August 2015</b>	<b>31 August 2014</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	(43,823)	(44,898)
Capital grants from DfE	14,321	38,561
Capital funding received from sponsors and others	<u>4,500</u>	<u>5,750</u>
<b>Net cash outflow from capital expenditure and financial investment</b>	<u><u>(25,002)</u></u>	<u><u>(587)</u></u>

**22 Analysis of changes in net funds**

	<b>At 1 September 2014</b>	<b>Cash flows</b>	<b>At 31 August 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>365,799</u>	<u>144,292</u>	<u>510,091</u>
<b>Total cash and cash equivalents</b>	<u><u>365,799</u></u>	<u><u>144,292</u></u>	<u><u>510,091</u></u>

## **The Huish Academy Trust (formerly Huish Primary School)**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

#### **23 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

#### **24 Pension and similar obligations**

The academy 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 Somerset County Council Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £21,272 (2014 - £20,859) 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 Huish Academy Trust (formerly Huish Primary School)**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

#### **24 Pension and similar obligations (continued)**

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £188,863 (2014 - £135,483).

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### **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 2015 was £71,000 (2014 - £46,000), of which employer's contributions totalled £54,000 (2014 - £34,000) and employees' contributions totalled £17,000 (2014 - £12,000). 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.

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**24 Pension and similar obligations (continued)**

**Principal actuarial assumptions**

	<b>At 31 August 2015 %</b>	<b>At 31 August 2014 %</b>
Rate of increase in salaries	4.50	4.50
Rate of increase for pensions in payment/inflation	2.70	2.70
Discount rate for scheme liabilities	4.00	4.00
Inflation assumptions (CPI)	2.70	2.70
RPI increases	3.60	3.50
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

**Sensitivity analysis**

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

	<b>+ 0.1% £</b>	<b>0.0% £</b>	<b>- 0.1% £</b>
<b>Adjustment to discount rate</b>			
Present value of total obligation	710,000	727,000	745,000
Projected service cost	<u>83,000</u>	<u>85,000</u>	<u>87,000</u>
	<b>+ 0.1% £</b>	<b>0.0% £</b>	<b>- 0.1% £</b>
<b>Adjustment to rate of inflation</b>			
Present value of total obligation	741,000	727,000	713,000
Projected service cost	<u>87,000</u>	<u>85,000</u>	<u>83,000</u>
	<b>+ 0.1% £</b>	<b>0.0% £</b>	<b>- 0.1% £</b>
<b>Adjustment to rate of salary growth</b>			
Present value of total obligation	731,000	727,000	723,000
Projected service cost	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>
	<b>+ 1 Year £</b>	<b>None £</b>	<b>- 1 Year £</b>
<b>Adjustment to mortality age rating assumption</b>			
Present value of total obligation	746,000	727,000	709,000
Projected service cost	<u>87,000</u>	<u>85,000</u>	<u>83,000</u>

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

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
<b>Retiring today</b>		
Males	23.70	23.60
Females	26.10	26.00
<b>Retiring in 20 years</b>		
Males	26.00	25.80
Females	<u>28.40</u>	<u>28.30</u>

# **The Huish Academy Trust (formerly Huish Primary School)**

## **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

### **24 Pension and similar obligations (continued)**

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>At 31 August 2015 £</b>	<b>At 31 August 2014 £</b>
Equities	232,000	185,000
Gilts	22,000	17,000
Other bonds	34,000	30,000
Property	33,000	25,000
Cash	6,000	5,000
<b>Total market value of assets</b>	<b>327,000</b>	<b>262,000</b>
Present value of scheme liabilities - funded	(727,000)	(686,000)
<b>Deficit in the scheme</b>	<b>(400,000)</b>	<b>(424,000)</b>

The expected rates of return were:

	<b>At 31 August 2015 %</b>	<b>At 31 August 2014 %</b>
Equities	6.70	6.70
Gilts	3.00	3.00
Other bonds	3.60	3.60
Property	5.90	5.90
Cash	2.90	2.90

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £9,000 (2014 - £17,000).

**The Huish Academy Trust (formerly Huish Primary School)**

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

**24 Pension and similar obligations (continued)**

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

	<b>31 August 2015 £</b>	<b>31 August 2014 £</b>
Current service cost	<u>(29,000)</u>	<u>(18,000)</u>
<b>Total operating charge</b>	<b><u>(29,000)</u></b>	<b><u>(18,000)</u></b>

**Analysis of pension finance income/(costs)**

	<b>31 August 2015 £</b>	<b>31 August 2014 £</b>
Expected return on pension scheme assets	17,000	11,000
Interest on pension liabilities	<u>(29,000)</u>	<u>(20,000)</u>
<b>Pension finance costs</b>	<b><u>(12,000)</u></b>	<b><u>(9,000)</u></b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a (£168,000) loss (2014 - (£233,000) loss).

# The Huish Academy Trust (formerly Huish Primary School)

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

### 24 Pension and similar obligations (continued)

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

	31 August 2015 £	31 August 2014 £
<b>At 1 September</b>	686,000	547,000
Current service cost	83,000	52,000
Interest cost	29,000	20,000
Employee contributions	17,000	12,000
Actuarial (gains)/losses	(73,000)	55,000
Benefits paid	(15,000)	-
<b>At 31 August</b>	<u>727,000</u>	<u>686,000</u>

Movements in the fair value of academy trust's share of scheme assets

	31 August 2015 £	31 August 2014 £
<b>At 1 September</b>	262,000	199,000
Expected return on assets	17,000	11,000
Actuarial (losses)/gains	(8,000)	6,000
Employer contributions	54,000	34,000
Employee contributions	17,000	12,000
Benefits paid	(15,000)	-
<b>At 31 August</b>	<u>327,000</u>	<u>262,000</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £55,000.

The two year history of experience adjustments is as follows:

	31 August 2015 £	31 August 2014 £
Present value of defined benefit obligations	(727,000)	(686,000)
Fair value of share of scheme assets	<u>327,000</u>	<u>262,000</u>
Deficit in the scheme	<u>(400,000)</u>	<u>(424,000)</u>
	31 August 2015 £	31 August 2014 £
Experience adjustments arising on share of scheme assets	327,000	262,000
Experience adjustments on scheme liabilities	<u>(727,000)</u>	<u>(686,000)</u>

## **The Huish Academy Trust (formerly Huish Primary School)**

### **Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)**

#### **25 Related party transactions**

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

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

##### **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 £2,343 (2014 - £3,456). 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. At the balance sheet date the amount due to Bayley Electrical Limited was £Nil (2014 - £Nil).