

Company Registration Number: 08756412 (England and Wales)

The Huish Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

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The Huish Academy Trust

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The Huish Academy Trust

Reference and Administrative Details

Members

J Dudley-Smith
B Reina (resigned 15 October 2018)
C Snell
C Stephens
P L Noone (resigned 15 October 2018)
J Bachrach
A D Hutchings (appointed 15 October 2018)

Trustees

V Hillier-Nickels, Staff trustee and member of the Finance Committee (resigned 15 October 2018)
P L Noone
A D Hutchings (resigned 14 September 2018)
R J Bayley
P Price, Principal, member of the Finance Committee and Accounting Officer
S Miller, Staff trustee (resigned 15 October 2018)
J Roberts (resigned 2 October 2017)
A Fossey, Staff trustee and member of the Finance Committee (resigned 15 October 2018)
A Sherrard, Staff trustee and member of the Finance Committee (resigned 15 October 2018)
R Beaver, member of the Finance Committee
J Bachrach, member of the Finance Committee and Chair of Governors
B Geary
C Rowswell (resigned 2 October 2017)
F Purbrick (resigned 21 May 2018)
R Brown (appointed 3 November 2017 and resigned 15 October 2018)

Senior Management Team

P Price, Headteacher (Huish Academy)
A Sherrard, Head of School (Primrose Lane Primary School)
V Hillier-Nickels, Deputy Headteacher (Huish Academy)
A Fossey, Assistant Headteacher (Huish Academy)
A Nathan, Assistant Headteacher (Primrose Lane Primary School)
C Carlock, Assistant Headteacher (Huish Academy)

Company Name

The Huish Academy Trust

Principal and Registered Office

Carisbrooke Gardens
Yeovil
Somerset
BA20 1AY

The Huish Academy Trust

Reference and Administrative Details (continued)

Company Registration Number	08756412 (England and Wales)
Independent Auditor	Milsted Langdon LLP Chartered Accountants and Statutory Auditors Motivo House Yeovil BA20 2FG
Bankers	Lloyds TSB PLC 9 High Street Yeovil Somerset BA20 1RN
Solicitors	Porter Dodson The Quad Blackbrook Park Avenue Taunton Somerset TA1 2PX

The Huish Academy Trust

Trustees' Report for the Year Ended 31 August 2018

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

The trust operates 2 primary academies in Yeovil. Its academies have a combined pupil capacity of 480 and had a roll of 474 in the school census for Spring 2018.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Huish Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Huish Academy Trust.

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

Members' Liability

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

Trustees' Indemnities

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.

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 Executive Headteacher is automatically an ex officio trustee of the Academy Trust.

The Huish Academy Trust

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

Method of Recruitment and Appointment or Election of Trustees (continued)

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

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 Executive Headteacher, assisting with staff appointments. They hold the Executive Headteacher accountable. Their work is conducted through a structured committee system comprising of the finance committee, premises committee and Education committee. Each meets twice termly. Reports from the committees feed into twice termly meetings of the full governing body.

The Executive Headteacher is the accounting officer and works closely with the other trustees. She has responsibility for the day to day operational management of the academy and for leading a senior team which includes the Head of Schools 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.

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 Executive Headteacher and Clerk to the trustees, to approve the School Development Plan/Self Evaluation Form and budget.

The Huish Academy Trust

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

Arrangements for setting pay and remuneration of key management personnel

Executive Headteachers

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

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

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

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

For new Head of Schools , LGBs will when a new appointment needs to be made, determine the pay range to be advertised and agree pay on appointment as follows:

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

Headteachers appointed as a Headteacher of more than one school

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

Head of Schools and Assistant Headteachers

For serving Heads of Schools and Assistant Headteachers the Pay Committee will:

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

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

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

The Huish Academy Trust

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

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

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

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

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

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

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

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

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

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

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

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

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

The Huish Academy Trust

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

Related Parties and other Connected Charities and Organisations

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

Yeovil Federation

Huish School is an active member of the Yeovil Federation of schools which collaborate on a number of educational developments and issues. It has a close relationship with J Bachrach, 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

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

Objectives and Activities

Objects and Aims

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

The academy's objectives and aims in summary for the period ending 31 August 2018 are:

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

The Huish Academy Trust

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

Objectives, Strategies and Activities

The academy trust 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 2017-18 included:

- 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 in order to support the needs of both schools in the Trust.
- 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 2018-2019 are as follows:

1. Teachers Change Lives

Thorough rigorous, dynamic teaching to ensure all children across the trust make excellent progress in the core subjects.

The Early Years will continue to offer an outstanding start for children and will focus upon developing the outside learning environment.

Through careful planning and high expectations, all children to make good or outstanding progress, with a continuation of the significant investment in our Pupil Premium children and our high achieving children.

This is encompassed within:

- Inclusion and Enrichment Plan
- English/Maths Plan
- Early Years Plan

2. No Child Left Behind

All children, despite different starting points, will work towards achieving at least national standards, with significant numbers achieving above. Certain children, who have a range of global, specific difficulties, will receive teaching specific to their SEN need, either in whole class or small group situations.

We have invested heavily in a behaviour team who work with our most challenging children, enabling them to access learning in a variety of different ways. In addition we will continue to offer counselling and intensive support to our pupils who are experiencing stress or mental health issues. At Primrose Lane, we will continue to invest in appropriate intervention strategies in order to support the existing children, as well as those who join mid-year.

Our plans for both schools will also reflect how we are encouraging all parents, but especially those who find school tasks challenging.

This is encompassed within:

- Inclusion and Enrichment Plan
- Pupil Premium Plan

The Huish Academy Trust

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

Objectives, Strategies and Activities (continued)

3. Growing Our Workforce

In order for the children of the trust to be successful, all members of the school community need to embrace new learning and new expectations. Children will receive an education which is designed to stimulate, support and challenge. In order to deliver this, teachers and support staff will keep abreast of new developments and use current research in order to enhance learning and ensure high outcomes. In the year to come, all schools within the Trust will focus upon expanding our already strong teaching of reasoning and use of the Concrete/Pictorial/Abstract approach. In addition, we are looking to increase our numbers of children achieving Greater depth at the end of KS1 and KS2 in Reading and writing through a concerted focus on vocabulary skills. This should improve children's standards as they move into KS3. As we are proud of what growth mindset has done for our children, we are focussing this year upon Mental health, and achieving the Somerset Well Being Award. As lead school within the Wessex Teaching School, Huish and Primrose Lane are ideal places to ensure all training needs can be met.

This is encompassed within:

- Huish and Primrose Lane School Development Plans 2017-18

4. What We Learn matters

The majority of children spend over 3 hours a day learning English and Maths skills which are at the core of what we do. Detailed plans to ensure these plans continuously improve are a key part of our drive across the Trust. However, in order to balance this, we will continue to work tirelessly to promote a diverse, meaningful foundation curriculum, with each subject leader producing and agreeing subject plans which show how they are leading and moving their subjects forward. In addition, we are proud of our strengths in digital literacy and will continue to work with children and staff to ensure our children are innovative contributors to the online world in which they live, and fully understand how to keep safe online as well as their responsibilities towards others when engaging with online communities of any sort.

This is encompassed within:

- Individual Subject Leader Plans

5. Where We Learn Matters

We teach the children across our trust to be proud of their school, their community and their country. An appreciation of the country in which we live, as well as the key values, goes hand in hand with our focus, across the trust in our International links - currently with China, Poland, Nepal and Spain. Huish was proud to achieve The International Schools Award in 2016. We will need to apply for reaccreditation in 2019, and we will ensure we work towards this goal in 2018. We will continue to develop our children's understanding of British values alongside our International links. Where we learn, encompasses both our physical environment as well as the communities around us. Each of our schools will create individual Building plans which clearly show how our learning spaces will develop.

This is encompassed by:

- International Links Plan
- British Values Plan
- Building Plans

Public Benefit

The academy trust provides educational services to children aged between 4 and 11 in the local area. The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission. This guidance has directly influenced the setting of objectives and activities. In particular, trustees have considered how planned activities will contribute to set objectives.

The Huish Academy Trust

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

Strategic Report

Achievements and Performance

Huish Primary School

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. Attainment on entry is below average. Rapid progress across the reception year and KS1 means that cohorts generally achieve at least expected standard by the end of KS1 and achieve well above national standards by the end of KS2.

EYFS achieving good level of development 77%

KS2 Attainment	Reading	Writing	Spag	Maths
Percentage achieving ARE	92%	95%	93%	92%

KS1 Attainment	Reading	Writing	Spag	Maths
Percentage achieving ARE	80%	70%	63%	85%

Achievement of groups of pupils and any variations.

Girls and Boys

KS2 Attainment	Reading	Writing	Spag	Maths
Girls	91%	98%	93%	91%
Boys	93%	86%	93%	93%

KS1 Attainment	Reading	Writing	Spag	Maths
Girls	79%	73%	64%	76%
Boys	81%	67%	63%	96%

In Mathematics, attainment for boys and girls by the end of KS1 is good with both groups achieving well above the Somerset average and above the predicted National average. Reading attainment for boys and girls is also good. In Writing, girls outperformed the boys, although all figures are substantially higher than national averages.

In Mathematics, attainment for at the end of KS2 was higher in 2018, with 93% of boys reaching the expected standard, significantly above national averages. Girls achieved 91% which was well above national averages. Girls outperformed boys in writing but not reading. All groups achieved higher than the national average. Girls achieved an average scaled score in Mathematics of close to that achieved by boys and significantly above national standards.

The Huish Academy Trust

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

Strategic Report

Achievements and Performance (continued)

Pupil Premium - Huish

Closing the Gap (Year 6 children)

Percentage of children at the Expected Standard in Key Stage 1 and Key Stage 2

Subject	Key Stage 1		Key Stage 2		
	National (Level 2B+)	Pupil Premium	National Expected (All)	National Expected (DisA - 2017)	Pupil Premium
Reading	81	82	75	60	91
Writing	70	73	78	66	82
Maths	80	82	76	63	91
GPS	NA	NA	78	66	82

- When the current Year 6 were in KS 1 they slightly above National averages for ALL children.
- By KS2 the PP children attained well above national averages (for all children) in Reading, Writing, Maths and GPS. When compared to national figures for Dis A children (2017) the attainment across all subjects was significantly above.
- Closing the gap: the above figures indicate very strongly that the PP children have made accelerated progress and are now performing well above national figures for both Dis A and All children.

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.

Of the 3 children with EAL who took the KS2 SATs tests in 2018,, 100% met the national expectations in all areas. For writing, 66% of these children were working at greater depth.

SEN

All pupils received targeted intervention on an individual and small group basis throughout KS2 and KS1, being taught by a qualified teacher in a small group or with specific support from trained specialists in emotional or behavioural literacy. By the end of KS2, we were pleased with the progress children had made. All were known to outside support agencies such as speech and language, educational psychologist etc. and all recommendations and strategies were put in place to support them.

The Huish Academy Trust

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

Strategic Report

Achievements and Performance (continued)

SEND

Key Stage 1 Attainment:

- 100% of pupils with SEND achieved the expected standard in reading, writing, maths and science. This is above the National average for all pupils.

Key Stage 2 Attainment:

- 50% of pupils with SEND achieved at least the expected standard in reading, writing, GPVS, maths and science. All of those who did not have well documented needs which meant they were able to take the tests, but only show success in parts of the paper. Internal school evidence points to outstanding progress for this group.

Primrose Lane Primary School

Achievement of groups of pupils and any variations.

Girls and Boys

EYFS achieving good level of development 86%

KS1 Attainment	Reading	Writing	Spag	Maths
Percentage achieving ARE (17 children)	53%	29%	29%	65%

KS1 Attainment	Reading	Writing	Spag	Maths
Girls (7)	71%	43%	14%	71%
Boys (10)	40%	20%	40%	60%

This cohort reflects very high mobility, children who started at school throughout the year and includes a range of children with additional and EAL needs.

Pupil Premium

KS1	Reading	Writing	Spag	Maths
Percentage achieving ARE (2 children)	50%	50%	50%	50%

SEN

There were no children in KS1 with SEN needs that took national tests.

The Huish Academy Trust

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

Strategic Report

Achievements and Performance (continued)

We are proud of the richness and depth of the curriculum we offer to both of our schools. Over the past few years we have achieved a number of awards, including the Eco Schools award, The International Schools Award, the PE Gold mark and the Geography Silver award. All subject leaders are passionate about their subject, prepare detailed action plans which are reviewed regularly, and understand how a focus upon all subjects helps ensure that each and every child has many chances to shine.

Key Financial Performance Indicators

	Unit	2018	2017
Level of reserves	£	7,537,303	7,438,056
Net income/(expenditure) for the year	£	-100,753	4,201,477
Net income as a percentage of incoming resources	%	-4	65

Key Non-Financial Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018 were 474. 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 2018 this was 98.8%.

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>

For Huish Primary School the student attendance was 96.34 during 2017-18. There was only 2.89% authorised absence and 0.77% unauthorised. For Primrose Lane Primary School the student attendance was 96.53% during 2017-18. There was only 2.71% authorised absence and 0.76% unauthorised.

Going Concern

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

The Huish Academy Trust

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

Strategic Report

Financial Review

The majority of the academy's income is obtained through the ESFA in the form of restricted recurrent grants. The level of grant income received from the ESFA during the year ended 31 August 2018 plus the associated expenditure is as shown in the Statement of Financial Activities.

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

During the year ended 31 August 2018, recurrent grant funding from the DfE together with other incoming resources exceeded total expenditure of £2,716,496 (2017 - £2,294,390) giving an in year surplus of £99,247. For the year ended 31 August 2018 the net excess in funds, after deduction of actuarial losses on the LGPS was £7,537,303 (2017 - £7,438,056).

During the year ended 31 August 2017, Primrose Lane Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Huish Academy Trust from Somerset County Council. As part of this transfer was the value of land and buildings of £6,915,000 being £3,915,000 for the value of buildings and £3,000,000 for the value of land. During the year ended 31 August 2018 the final build cost of the building was obtained and a prior year adjustment has been included to increase the value of building to £3,943,000. An updated land valuation was also received for £303,000 from ESFA and the Trustees deem this value to be its fair value and therefore a prior year adjustment has been included to recognise the revised value of the land transferred on conversion from the Local Authority in the previous year.

The restated amounts for 31 August 2017 were as follows:

Surplus for the year £4,240,477 (Before restatement - £6,909,477).

Fixed assets net book value £8,013,968 (Before restatement - £10,682,968).

Restricted fixed asset fund £8,081,861 (Before restatement - £10,750,861).

Leasehold land and buildings in respect of Primrose Lane Primary School have been overstated within fixed assets. The cost was overstated by an amount of £2,669,000 resulting in a prior period adjustment amounting to £2,669,000.

Reserves Policy

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

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

The unrestricted funds held at 31 August 2018 is £140,619 (2017 - £162,195).

The pension reserve is in deficit at the period end. This represents the defined benefit pension scheme liability as at 31 August 2018.

The Huish Academy Trust

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

Strategic Report

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.

Principal Risks and Uncertainties

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

The main risks have been identified as follows;

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

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

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

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

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

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

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

The Huish Academy Trust

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

Strategic Report

Fundraising

The Parents and Friends of both Huish Primary School and Primrose Lane Primary school hold a number of events throughout the year to raise extra funds for the benefit of the children who attend schools in the Trust.

The PTFA does not use professional fundraising conforming to recognised standards

The PTFA is audited on a regular basis by an external auditor

Although the PTFA may ask for contributions for prizes from large businesses, they never canvass members of the public and only ask for support from the school community. No pressure is ever put on children or families to contribute. However, all of our events are very well attended. Regular meetings are held with the PTFA and parents to discuss ways of spending the funds raised for the benefit of all.

Plans for Future Periods

The academy trust will continue to build on improving academic results and ensure that all students are challenged and have the opportunity to fulfil their potential

The Huish MAT may look to sponsor further schools in the local area.

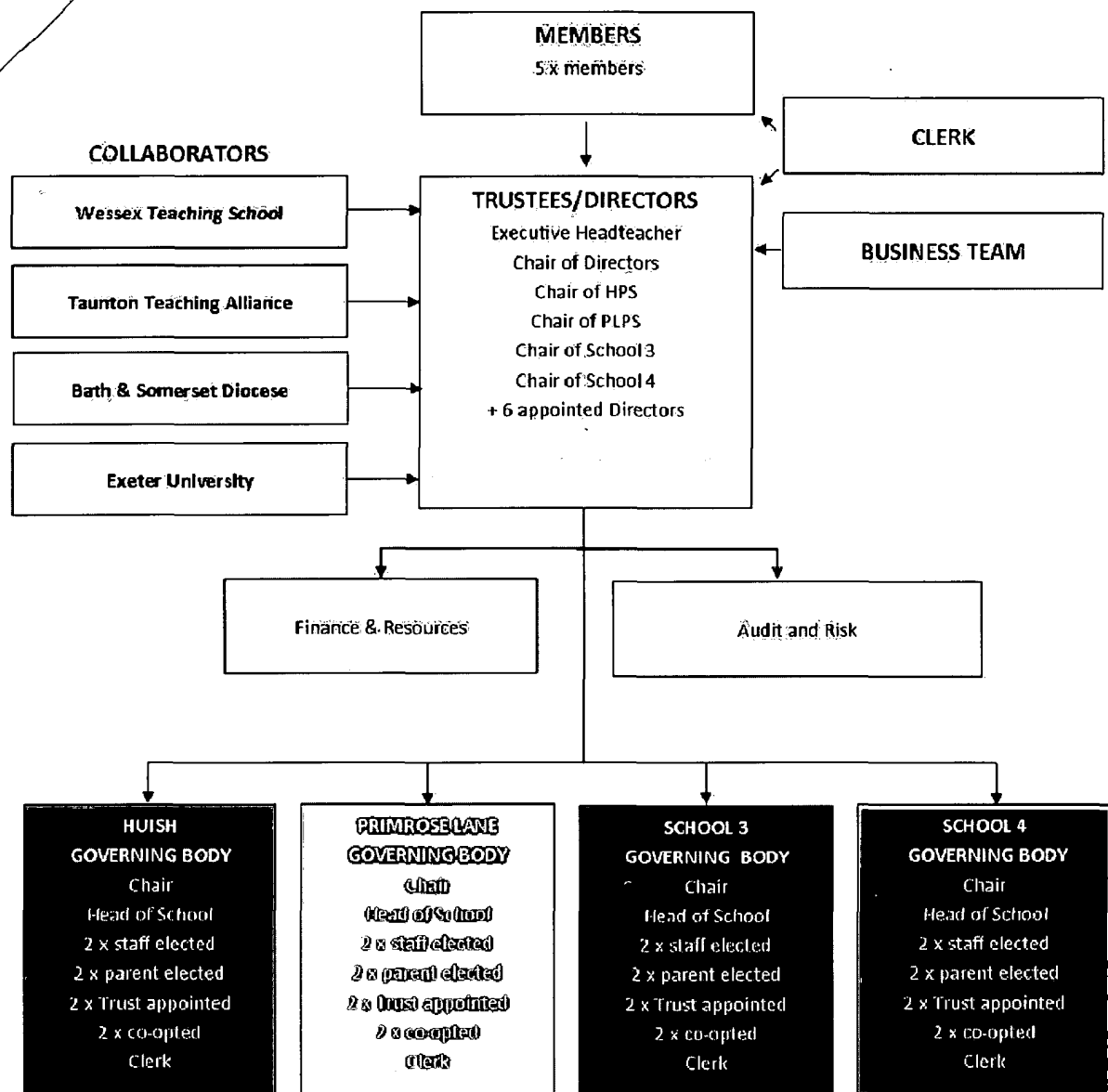
The Huish Academy Trust

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

Strategic Report

The governance structure for the MAT will change from 1 September 2018. The format will be as follows:-

Huish Academy Trust Structure



The Huish Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (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

Insofar as the trustee 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 12/12/2018 and signed on the board's behalf by:



J Bachrach
Governor and trustee

The Huish Academy Trust

Governance Statement

Scope of Responsibility

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

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

Governance

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

Trustee	Meetings attended	Out of a possible
R Beaver	5	6
V Hillier-Nickels	5	6
P L Noone	6	6
A D Hutchings	3	6
J Bachrach	6	6
R J Bayley	3	6
P Price	6	6
S Miller	2	6
B Geary	5	6
A Fossey	6	6
A Sherrard	6	6
F Purbrick	2	5
R Brown	6	6
C Rowswell	0	1
J Roberts	0	1

R Brown was appointed as a Trustee on 3 November 2017. C Rowswell and J Roberts resigned as Trustees on 2 October 2017. F Purbrick resigned as a Trustee on 21 May 2018.

The Huish Academy Trust

Governance Statement (continued)

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

Trustee	Meetings attended	Out of a possible
V Hillier-Nickels	6	6
J Bachrach	5	6
P Price	5	6
A Sherrard	4	6
A Fossey	3	6
R Beaver	5	6

Review of Value for Money

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

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

In accordance with the Academy's Finance Policy all contracts above £5,000 require three quotes to be obtained and this policy is always adhered to. A structured tendering model is used which allows scoring of suppliers against cost, suitability, reputation, timescales and experience in schools. This means we can ensure that best value is achieved on all our major expenditures.

This year the Academy was successful in being awarded a CIF Grant for the replacement of all the doors and windows in the Huish Primary School building, this project was overseen by The Hookway Partnership who managed the bidding process on behalf of the Academy.

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 jeopardising quality or availability.

We also consult with 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 considerable cost and time saving benefits.

We regularly review all Academy contracts, to ensure that we maintain the best value and service provision possible for our Academy.

The Huish Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Huish Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

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

- to appoint Somerset County Council as internal auditor

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

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of general financial operations

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

The independent reviewer had delivered their schedule of work as planned and there were no material control or other issues reported by the independent reviewer to date.

The Huish Academy Trust

Governance Statement (continued)

Review of Effectiveness

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The 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 12/12/2018 and signed on its behalf by:



P Price
Accounting officer
Governor and trustee



J Bachrach
Governor and trustee

The Huish Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of The Huish Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2018.

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

Pamela Price

P Price
Accounting officer

Date 12/12/2018

The Huish Academy Trust

Statement of Trustees' Responsibilities

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

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

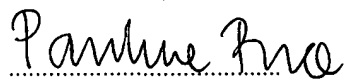
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the members of the board of trustees on 12/12/2018 and signed on its behalf by:



P Price
Governor and trustee

The Huish Academy Trust

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

Opinion

We have audited the financial statements of The Huish Academy Trust (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

The Huish Academy Trust

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 24], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

The Huish Academy Trust


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

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

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

Use of our report

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


Mr Gary Salter (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP

Chartered Accountants and Statutory Auditors
Motivo House
Yeovil
BA20 2FG

Date: 17 December 2018

The Huish Academy Trust

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

In accordance with the terms of our engagement letter dated and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Huish Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

The accounting officer is responsible, under the requirements of the The Huish Academy Trust's funding agreement with the Secretary of State for Education dated 27 November 2013 and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

Conclusion

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

Use of our report

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

The Huish Academy Trust

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

Milsted Langdon

Milsted Langdon LLP, Reporting accountant

Chartered Accountants and Statutory Auditors

Motivo House

Yeovil

BA20 2FG

Date: *17 December 2018*

The Huish Academy Trust

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £	(As restated) 2016/17 Total £
Income and endowments from:						
Voluntary income						
Donations and capital grants	2	-	7,031	283,852	290,883	11,037
Transfer from local authority	2	-	-	-	-	4,401,903
<i>Charitable activities:</i>						
Funding for the academy's educational operations	3	1,370	2,173,125	12,871	2,187,366	1,974,363
Teaching schools	25	-	96,400	-	96,400	75,635
Other trading activities	4	14,915	25,969	-	40,884	32,684
Investments	5	210	-	-	210	245
Total		16,495	2,302,525	296,723	2,615,743	6,495,867
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	2,408,248	217,030	2,625,278	2,223,878
Teaching schools	25	-	91,218	-	91,218	70,512
Net income/(expenditure)		16,495	(196,941)	79,693	(100,753)	4,201,477
Transfers between funds		(38,071)	38,941	(870)	-	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	15, 23	-	200,000	-	200,000	39,000
Net movement in (deficit)/funds		(21,576)	42,000	78,823	99,247	4,240,477
Reconciliation of funds						
As at 1 September 2017		162,195	(806,000)	10,750,861	10,107,056	3,197,579
Prior period adjustment		-	-	(2,669,000)	(2,669,000)	-
Total funds/(deficit) brought forward at 1 September 2017 - restated	15	162,195	(806,000)	8,081,861	7,438,056	3,197,579

The Huish Academy Trust

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

		Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £	(As restated) 2016/17 Total £
	Note					
Total funds/(deficit) carried forward at 31 August 2018	15	<u>140,619</u>	<u>(764,000)</u>	<u>8,160,684</u>	<u>7,537,303</u>	<u>7,438,056</u>

The Huish Academy Trust
(Company Number: 08756412)
Balance Sheet as at 31 August 2018

		2018	(As restated) 2017
	Note	£	£
Fixed assets			
Tangible assets	12	8,125,457	8,013,968
Current assets			
Debtors	13	138,828	38,787
Cash at bank and in hand		<u>367,236</u>	<u>329,327</u>
		506,064	368,114
Liabilities			
Creditors: amounts falling due within one year	14	<u>(330,218)</u>	<u>(138,026)</u>
Net current assets		<u>175,846</u>	<u>230,088</u>
Total assets less current liabilities		<u>8,301,303</u>	<u>8,244,056</u>
Net assets excluding pension liability		8,301,303	8,244,056
Defined benefit pension scheme liability	23	<u>(764,000)</u>	<u>(806,000)</u>
Total net assets including pension liability		<u><u>7,537,303</u></u>	<u><u>7,438,056</u></u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	15	8,160,684	8,081,861
Pension reserve	15	<u>(764,000)</u>	<u>(806,000)</u>
Total restricted funds		7,396,684	7,275,861
Unrestricted income funds	15	<u>140,619</u>	<u>162,195</u>
Total funds		<u><u>7,537,303</u></u>	<u><u>7,438,056</u></u>

The financial statements on pages 30 to 64 were approved by the trustees and authorised for issue on 12/12/2018 and signed on their behalf by:

Pamela Price

P Price
Governor and trustee

The Huish Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2018

		2018	(As restated)
	Note	£	2017
			£
Cash flows from operating activities			
Net cash provided by operating activities	19	88,366	165,043
Cash flows from investing activities	20	<u>(50,457)</u>	<u>(108,166)</u>
Change in cash and cash equivalents in the reporting period		37,909	56,877
Cash and cash equivalents at 1 September 2017		<u>329,327</u>	<u>272,450</u>
Cash and cash equivalents at 31 August 2018	21	<u><u>367,236</u></u>	<u><u>329,327</u></u>

The Huish Academy Trust

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

1 Statement of accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

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

Income

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

Grants

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

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

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

Sponsorship income

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

The Huish Academy Trust

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

1 Statement of accounting policies (continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Transfer on conversion

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

Transfer of existing academies into the trust

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

Donated fixed assets

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

Expenditure

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

The Huish Academy Trust

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

1 Statement of accounting policies (continued)

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

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

Liabilities

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

The Huish Academy Trust

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

1 Statement of accounting policies (continued)

Provisions

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

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

Leased assets

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

Financial Instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

The Huish Academy Trust

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

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

The Huish Academy Trust

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

1 Statement of accounting policies (continued)

Critical accounting estimates and assumptions

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

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

2 Donations and capital grants

	Restricted funds £	Restricted fixed asset funds £	Total 2018 £	(As restated) Total 2017 £
Transfer from Local Authority	-	-	-	4,401,903
Other voluntary income				
Capital grants	-	277,852	277,852	-
Donations	7,031	6,000	13,031	11,037
	7,031	283,852	290,883	11,037
	7,031	283,852	290,883	4,412,940

The Huish Academy Trust

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

3 Funding for the academy trust's educational operations

	School	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
DfE/ESFA grants						
Devolved capital grant	Huish Primary School	-	-	8,770	8,770	8,736
Devolved capital grant	Primrose Lane Primary School	-	-	4,101	4,101	-
		<u>-</u>	<u>-</u>	<u>12,871</u>	<u>12,871</u>	<u>8,736</u>
DfE/ESFA revenue grants						
General annual grant (GAG)	Huish Primary School	-	1,464,717	-	1,464,717	1,438,577
Pupil premium	Huish Primary School	-	89,712	-	89,712	100,787
Other ESFA grant income	Huish Primary School	-	105,973	-	105,973	81,342

The Huish Academy Trust

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

3 Funding for the academy trust's educational operations (continued)

		Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
	School					
	Primrose Lane Primary School	-	277,185	-	277,185	215,384
General annual grant (GAG)						
	Primrose Lane Primary School	-	13,310	-	13,310	1,445
Pupil premium						
	Primrose Lane Primary School	-	30,885	-	30,885	5,496
Other ESFA grant income		-	1,981,782	-	1,981,782	1,843,031
Other government grants						
	Huish Primary School	-	26,694	-	26,694	21,009
Individually assigned resources						
	Huish Primary School	-	-	-	-	61,958
Wyndham Project grant income						
	Huish Primary School	-	5,550	-	5,550	-
Other local authority grants						

The Huish Academy Trust

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

3 Funding for the academy trust's educational operations (continued)

	School	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
Individually assigned resources	Primrose Lane Primary School	-	4,538	-	4,538	-
Growth fund	Primrose Lane Primary School	-	18,000	-	18,000	10,000
Early years entitlement	Primrose Lane Primary School	-	75,177	-	75,177	-
		-	129,959	-	129,959	92,967
Other income from the academy trust's educational operations		1,370	61,384	-	62,754	29,629
		<u>1,370</u>	<u>2,173,125</u>	<u>12,871</u>	<u>2,187,366</u>	<u>1,974,363</u>

The Huish Academy Trust

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

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	5,102	-	5,102	4,770
Catering income	-	9,695	9,695	10,323
Other sales	-	1,445	1,445	2,071
Recharges and reimbursements	-	14,829	14,829	3,140
External training	9,813	-	9,813	12,380
	<u>14,915</u>	<u>25,969</u>	<u>40,884</u>	<u>32,684</u>

5 Investment income

	Unrestricted funds £	Total 2018 £	Total 2017 £
Bank interest	<u>210</u>	<u>210</u>	<u>245</u>

6 Expenditure

	Non Pay Expenditure			Total 2018 £	Total 2017 £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	1,580,037	-	230,998	1,811,035	1,635,402
Allocated support costs	257,215	301,610	255,418	814,243	588,476
Teaching School	<u>60,583</u>	<u>-</u>	<u>30,635</u>	<u>91,218</u>	<u>70,512</u>
	<u>1,897,835</u>	<u>301,610</u>	<u>517,051</u>	<u>2,716,496</u>	<u>2,294,390</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Operating leases - other leases	2,790	2,790
Fees payable to auditor - audit	5,750	5,500
Fees payable to auditor - other services	<u>3,613</u>	<u>4,023</u>

The Huish Academy Trust

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

7 Charitable activities

	Total 2018 £	Total 2017 £
Direct costs - educational operations	1,811,035	1,635,402
Support costs - educational operations	814,243	588,476
Direct costs - Teaching School	90,324	69,371
Support Costs - Teaching School	894	1,141
	<u>2,716,496</u>	<u>2,294,390</u>

	Educational operations £	Total 2018 £	Total 2017 £
Analysis of support costs			
Support staff costs	257,215	257,215	146,824
Depreciation	217,030	217,030	146,151
Technology costs	6,466	6,466	19,548
Premises costs	120,755	120,755	71,377
Other support costs	196,694	196,694	194,888
Governance costs	16,083	16,083	9,688
Total support costs	<u>814,243</u>	<u>814,243</u>	<u>588,476</u>

The Huish Academy Trust

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

8 Staff

Staff costs

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	1,483,849	1,269,002
Social security costs	117,007	105,704
Pension costs	270,274	222,998
	<u>1,871,130</u>	<u>1,597,704</u>
Supply teacher costs	26,705	51,372
	<u>1,897,835</u>	<u>1,649,076</u>

Staff numbers

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

	2018 No	2017 No
Charitable Activities		
Teachers	23	23
Administration and support	49	42
Management	6	5
	<u>78</u>	<u>70</u>

Higher paid staff

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

	2018 No	2017 No
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £331,109 (2017: £324,240).

The Huish Academy Trust

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

9 Central services

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

- termly proportion of premises costs

The trust charges for these services on the following basis:

- amount per pupil based on budgeted expenditure

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Primrose Lane Primary School	-	3,170

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 (Headteacher and trustee):

Remuneration: £80,000 - £85,000 (2017 - £80,000 - £85,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £10,000 - £15,000)

V Hillier-Nickels (staff trustee):

Remuneration: £70,000 - £75,000 (2017 - £70,000 - £75,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £10,000 - £15,000)

A Fossey (staff trustee):

Remuneration: £40,000 - £45,000 (2017 - £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

A Sherrard (staff trustee):

Remuneration: £50,000 - £55,000 (2017 - £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

S Miller (staff trustee):

Remuneration: £5,000 - £10,000 (2017 - £5,000 - £10,000)

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

J Bachrach (staff trustee):

Remuneration: £0 - £5,000 (2017 - £0 - £5,000)

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

Other related party transactions involving the trustees are set out in note 24.

The Huish Academy Trust

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

11 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture, fixtures and equipment £	Computer equipment £	Leasehold property improvements £	Total £
Cost					
At 1 September 2017	7,808,000	186,018	114,821	292,427	8,401,266
Additions	-	31,286	12,053	285,180	328,519
At 31 August 2018	<u>7,808,000</u>	<u>217,304</u>	<u>126,874</u>	<u>577,607</u>	<u>8,729,785</u>
Depreciation					
At 1 September 2017	257,627	57,006	62,363	10,302	387,298
Charge for the year	<u>142,340</u>	<u>41,010</u>	<u>25,747</u>	<u>7,933</u>	<u>217,030</u>
At 31 August 2018	<u>399,967</u>	<u>98,016</u>	<u>88,110</u>	<u>18,235</u>	<u>604,328</u>
Net book value					
At 31 August 2018	<u>7,408,033</u>	<u>119,288</u>	<u>38,764</u>	<u>559,372</u>	<u>8,125,457</u>
At 31 August 2017	<u>7,550,373</u>	<u>129,012</u>	<u>52,458</u>	<u>282,125</u>	<u>8,013,968</u>

During the year ended 31 August 2017, Primrose Lane Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Huish Academy Trust from Somerset County Council. As part of this transfer was the value of land and buildings of £6,915,000 being £3,915,000 for the value of buildings and £3,000,000 for the value of land. During the year ended 31 August 2018 the final build cost of the building was obtained and a prior year adjustment has been included to increase the value of building to £3,943,000. An updated land valuation was also received for £303,000 from ESFA and the Trustees deem this value to be its fair value and therefore a prior year adjustment has been included to recognise the revised value of the land transferred on conversion from the Local Authority in the previous year.

The Huish Academy Trust

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

13 Debtors

	2018	2017
	£	£
Trade debtors	4,060	-
VAT recoverable	37,753	10,918
Prepayments and accrued income	97,015	27,869
	<u>138,828</u>	<u>38,787</u>

14 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	119,859	7,566
Other taxation and social security	28,639	26,201
Accruals and deferred income	149,074	74,248
Pension scheme creditor	32,646	30,011
	<u>330,218</u>	<u>138,026</u>
	2018	
	£	

Deferred income

Deferred income at 1 September 2017	34,287
Released from previous years	(34,287)
Resources deferred in the period	<u>46,632</u>
Deferred income at 31 August 2018	<u>46,632</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals and grant income in respect of Foundation School Unit relating to the year 2018/19.

The Huish Academy Trust

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

15 Funds

	(As restated) Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General annual grant (GAG)	-	1,741,902	(1,780,843)	38,941	-
Pupil premium	-	103,022	(103,022)	-	-
Other Government grants	-	129,960	(129,960)	-	-
Other restricted funds	-	150,783	(150,783)	-	-
Other DfE/EFA grants	-	176,858	(176,858)	-	-
	<u>-</u>	<u>2,302,525</u>	<u>(2,341,466)</u>	<u>38,941</u>	<u>-</u>
Restricted fixed asset funds					
Transfer from local authority on conversion	7,711,399	-	(172,495)	(516)	7,538,388
DfE/EFA capital grant and donations	231,501	290,723	(13,906)	(5,543)	502,775
Capital expenditure from GAG	128,430	-	(28,914)	7,052	106,568
Non-Government capital donations	10,531	6,000	(1,715)	(1,863)	12,953
	<u>8,081,861</u>	<u>296,723</u>	<u>(217,030)</u>	<u>(870)</u>	<u>8,160,684</u>
Restricted pension funds					
Pension reserve	(806,000)	-	(158,000)	200,000	(764,000)
Total restricted funds	<u>7,275,861</u>	<u>2,599,248</u>	<u>(2,716,496)</u>	<u>238,071</u>	<u>7,396,684</u>
Total unrestricted funds	<u>162,195</u>	<u>16,495</u>	<u>-</u>	<u>(38,071)</u>	<u>140,619</u>
Total funds	<u><u>7,438,056</u></u>	<u><u>2,615,743</u></u>	<u><u>(2,716,496)</u></u>	<u><u>200,000</u></u>	<u><u>7,537,303</u></u>

The Huish Academy Trust

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

15 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	(As restated) Balance at 31 August 2017 £
Restricted general funds					
General annual grant (GAG)	-	1,653,961	(1,625,360)	(28,601)	-
Pupil premium	-	102,232	(102,232)	-	-
Other Government grants	-	92,967	(92,967)	-	-
Other restricted funds	-	85,621	(85,621)	-	-
Other DfE/EFA grants	-	126,838	(126,838)	-	-
	<u>-</u>	<u>2,061,619</u>	<u>(2,033,018)</u>	<u>(28,601)</u>	<u>-</u>
Restricted fixed asset funds					
Transfer from local authority on conversion	3,412,511	4,404,903	(102,494)	(3,521)	7,711,399
DfE/EFA capital grant and donations	240,204	8,736	(17,439)	-	231,501
Capital expenditure from GAG	75,454	-	(22,005)	74,981	128,430
Non-Government capital donations	14,744	-	(4,213)	-	10,531
	<u>3,742,913</u>	<u>4,413,639</u>	<u>(146,151)</u>	<u>71,460</u>	<u>8,081,861</u>
Restricted pension funds					
Pension reserve	<u>(735,000)</u>	<u>(3,000)</u>	<u>(107,000)</u>	<u>39,000</u>	<u>(806,000)</u>
Total restricted funds	3,007,913	6,472,258	(2,286,169)	81,859	7,275,861
Unrestricted funds					
Unrestricted general funds	<u>189,666</u>	<u>20,609</u>	<u>(5,221)</u>	<u>(42,859)</u>	<u>162,195</u>
Total funds	<u>3,197,579</u>	<u>6,492,867</u>	<u>(2,291,390)</u>	<u>39,000</u>	<u>7,438,056</u>

The Huish Academy Trust

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

15 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General annual grant (GAG)	-	3,395,863	(3,406,203)	10,340	-
Pupil premium	-	205,254	(205,254)	-	-
Other Government grants	-	222,927	(222,927)	-	-
Other restricted funds	-	236,404	(236,404)	-	-
Other DfE/EFA grants	-	303,696	(303,696)	-	-
	<u>-</u>	<u>4,364,144</u>	<u>(4,374,484)</u>	<u>10,340</u>	<u>-</u>
Restricted fixed asset funds					
Transfer from local authority on conversion	3,412,511	4,404,903	(274,989)	(4,037)	7,538,388
DfE/EFA capital grant and donations	240,204	299,459	(31,345)	(5,543)	502,775
Capital expenditure from GAG	75,454	-	(50,919)	82,033	106,568
Non-Government capital donations	14,744	6,000	(5,928)	(1,863)	12,953
	<u>3,742,913</u>	<u>4,710,362</u>	<u>(363,181)</u>	<u>70,590</u>	<u>8,160,684</u>
Restricted pension funds					
Pension reserve	<u>(735,000)</u>	<u>(3,000)</u>	<u>(265,000)</u>	<u>239,000</u>	<u>(764,000)</u>
Total restricted funds	3,007,913	9,071,506	(5,002,665)	319,930	7,396,684
Unrestricted funds					
Unrestricted general funds	<u>189,666</u>	<u>37,104</u>	<u>(5,221)</u>	<u>(80,930)</u>	<u>140,619</u>
Total funds	<u>3,197,579</u>	<u>9,108,610</u>	<u>(5,007,886)</u>	<u>239,000</u>	<u>7,537,303</u>

The Huish Academy Trust

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

15 Funds (continued)

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

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 £38,941. An amount of £38,071 has been transferred from unrestricted funds to restricted general funds to cover money spent on restricted expenditure. An amount of £354 has been transferred to restricted fixed asset fund which relates to capital expenditure purchased from GAG income. An amount of £516 has been transferred to restricted fixed asset fund to restricted general funds in relation to items acquired from cash transferred on conversion which fall below the academy's capitalisation threshold.

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 2018.

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

Transfer between funds - The gross transfers between funds amounts to £71,460 which relates to capital expenditure purchased from GAG income.

Restricted pension funds

Pension reserve – This represents the defined benefit pension scheme liability at 31 August 2018.

The Huish Academy Trust

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

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Huish Primary School	77,322	103,317
Primrose Lane Primary School	63,297	58,878
	<hr/>	<hr/>
Total before fixed assets and pension reserve	140,619	162,195
Restricted fixed asset fund	8,160,684	8,081,861
Pension reserve	(764,000)	(806,000)
	<hr/>	<hr/>
Total	7,537,303	7,438,056

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2018 £
Huish Primary School	1,407,817	148,247	15,552	445,235	2,016,851
Primrose Lane Primary School	232,803	108,968	27,240	113,604	482,615
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy trust	1,640,620	257,215	42,792	558,839	2,499,466
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
					Total 2017 £
Huish Primary School					1,972,893
Primrose Lane Primary School					175,346
					<hr/>
Academy trust					2,148,239
					<hr/>

The Huish Academy Trust

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

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	8,125,457	8,125,457
Current assets	140,619	330,218	35,227	506,064
Current liabilities	-	(330,218)	-	(330,218)
Pension scheme liability	-	(764,000)	-	(764,000)
Total net assets	<u>140,619</u>	<u>(764,000)</u>	<u>8,160,684</u>	<u>7,537,303</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	8,013,968	8,013,968
Current assets	162,195	138,026	67,893	368,114
Current liabilities	-	(138,026)	-	(138,026)
Pension scheme liability	-	(806,000)	-	(806,000)
Total net assets	<u>162,195</u>	<u>(806,000)</u>	<u>8,081,861</u>	<u>7,438,056</u>

17 Capital commitments

	2018 £	2017 £
Contracted for, but not provided in the financial statements	<u>-</u>	<u>19,814</u>

18 Commitments under operating leases

Operating leases

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

	2018 £	2017 £
Amounts due within one year	2,790	2,790
Amounts due between one and five years	<u>-</u>	<u>2,790</u>
	<u>2,790</u>	<u>5,580</u>

The Huish Academy Trust

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

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

		2018	(As restated) 2017
	Note	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(100,753)	4,201,477
Depreciation	12	217,030	146,151
Capital grants from DfE and other capital income		(277,852)	-
Interest receivable	5	(210)	(245)
Defined benefit pension scheme cost less contributions payable	23	139,000	91,000
Defined benefit pension scheme finance cost	23	19,000	16,000
Net assets transferred from local authority		-	(4,305,795)
(Increase)/decrease in debtors		(100,041)	7,488
Increase in creditors		192,192	8,967
Net cash provided by operating activities		88,366	165,043

20 Cash flows from investing activities

	2018	(As restated) 2017
	£	£
Dividends, interest and rents from investments	210	245
Purchase of tangible fixed assets	(328,519)	(108,411)
Capital grants from DfE Group	277,852	-
Net cash used in investing activities	(50,457)	(108,166)

21 Analysis of cash and cash equivalents

	At 31 August 2018	At 31 August 2017
	£	£
Cash at bank and in hand	367,236	329,327
Total cash and cash equivalents	367,236	329,327

22 Members' liability

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

The Huish Academy Trust

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

23 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. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £32,646 (2017 - £30,011) 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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

The Huish Academy Trust

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

23 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £244,970 (2017: £232,092).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £155,000 (2017 - £101,000), of which employer's contributions totalled £122,000 (2017 - £78,000) and employees' contributions totalled £33,000 (2017 - £23,000). The agreed contribution rates for future years are 20.9% per cent for employers and 5.5% - 12.5% per cent for employees.

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

Principal actuarial assumptions

	At 31 August 2018 %	At 31 August 2017 %
Rate of increase in salaries	3.80	4.20
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	2.70	2.60
Inflation assumptions (CPI)	2.30	2.70
RPI increases	3.30	3.60
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	24	23.90
Females	25	25.10
Retiring in 20 years		
Males	26	26.20
Females	<u>28</u>	<u>27.40</u>

The Huish Academy Trust

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

23 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(38,000)	(35,000)
Discount rate -0.1%	39,000	36,000
Mortality assumption – 1 year increase	50,000	46,000
Mortality assumption – 1 year decrease	(48,000)	(44,000)
CPI rate +0.1%	34,000	29,000
CPI rate -0.1%	<u>(33,000)</u>	<u>(28,000)</u>

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

	At 31 August 2018 £	At 31 August 2017 £
Equities	572,000	438,000
Gilts	43,000	34,000
Other bonds	71,000	61,000
Property	70,000	55,000
Cash and other liquid assets	<u>38,000</u>	<u>27,000</u>
Total market value of assets	<u>794,000</u>	<u>615,000</u>

The actual return on scheme assets was £29,000 (2017 - £68,000).

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost	(139,000)	(91,000)
Interest income	18,000	11,000
Interest cost	(37,000)	(27,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	<u>-</u>	<u>(3,000)</u>
Total amount recognized in the SOFA	<u>(158,000)</u>	<u>(110,000)</u>

The Huish Academy Trust

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

23 Pension and similar obligations (continued)

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

	2018 £	2017 £
At start of period	1,421,000	1,198,000
Current service cost	261,000	169,000
Interest cost	37,000	27,000
Employee contributions	33,000	23,000
Actuarial (gain)/loss	(189,000)	(9,000)
Losses or gains on curtailments	-	3,000
Benefits paid	<u>(5,000)</u>	<u>10,000</u>
At 31 August	<u>1,558,000</u>	<u>1,421,000</u>

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

	2018 £	2017 £
At start of period	615,000	463,000
Interest income	29,000	68,000
Actuarial gain/(loss)	-	(27,000)
Employer contributions	122,000	78,000
Employee contributions	33,000	23,000
Benefits paid	<u>(5,000)</u>	<u>10,000</u>
At 31 August	<u>794,000</u>	<u>615,000</u>

24 Related party transactions

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

The Huish Academy Trust

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

24 Related party transactions (continued)

Expenditure related party transactions

During the year the academy 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 £1,108 (2017 - £nil). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018. At the balance sheet date the amount due to Bayley Electrical Limited was £Nil (2017 - £Nil).

Softcat Limited

(a company in which the son of V Hillier-Nickels, governor and trustee, is an employee)

During the year the academy received goods and services from Softcat Limited amounting to £1,658 (2017 - £240). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018. At the balance sheet date the amount due to Softcat Limited was £Nil (2017 - £Nil).

Flaydemouse

(a business in which the son of C Rowsell, governor and trustee, is an employee)

During the year the academy received goods and services from Flaydemouse amounting to £nil (2017 - £156). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018. At the balance sheet date the amount due to Flaydemouse was £Nil (2017 - £Nil).

Yeovil Federation

(a business in which J Bachrach is a director)

During the year the academy received goods and services from Yeovil federation amounting to £2,848 (2017 - £nil). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018. At the balance sheet date the amount due to Yeovil Federation was £Nil (2017 - £Nil).

Mrs C Hillier-Nickels

(Spouse of trustee)

C Hillier-Nickels, spouse of V Hillier-Nickels, a trustee, is employed by the academy trust as a teacher. C Hillier-Nickels's appointment was made in open competition and V Hillier-Nickels was not involved in the decision making process regarding appointment. C Hillier-Nickels is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee. In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018. At the balance sheet date the amount due to Mrs C Hillier-Nickels was £Nil (2017 - £Nil).

Mr G Price

(Spouse of trustee)

G Price, spouse of P Price, a trustee, is employed by the academy trust as a caretaker. G Price's appointment was made in open competition and P Price was not involved in the decision making process regarding appointment. G Price is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee. In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018. At the balance sheet date the amount due to Mr G Price was £Nil (2017 - £Nil).

The Huish Academy Trust

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

24 Related party transactions (continued)

Mrs C Moss

(Daughter of trustee)

C Moss, daughter of A Fossey, a trustee, is employed by the academy trust as a teacher. C Moss's appointment was made in open competition and A Fossey was not involved in the decision making process regarding appointment. C Moss is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee. In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018. At the balance sheet date the amount due to Mrs C Moss was £Nil (2017 - £Nil).

The Huish Academy Trust

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

25 Teaching school trading account

	2017/18	2016/17
	£	£
Income		
Direct Income		
Other income	96,400	75,635
Total Income	<u>96,400</u>	<u>75,635</u>
Expenditure		
Direct costs		
Direct staff costs	60,584	40,668
Staff development	29,337	28,703
Other direct costs	403	-
Total direct costs	<u>90,324</u>	<u>69,371</u>
Other costs		
Recruitment and support	170	181
Other support costs	724	960
Total other costs	<u>894</u>	<u>1,141</u>
Total Expenditure	<u>(91,218)</u>	<u>(70,512)</u>
Surplus from all sources	5,182	5,123
Teaching school balances at 1 September 2017	5,123	-
Teaching school balances at 31 August 2018	<u><u>10,305</u></u>	<u><u>5,123</u></u>

The Huish Academy Trust

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

26 Prior year adjustment

During the year ended 31 August 2017, Primrose Lane Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Huish Academy Trust from Somerset County Council. As part of this transfer was the value of land and buildings of £6,915,000 being £3,915,000 for the value of buildings and £3,000,000 for the value of land. During the year ended 31 August 2018 the final build cost of the building was obtained and a prior year adjustment has been included to increase the value of building to £3,943,000. An updated land valuation was also received for £303,000 from ESFA and the Trustees deem this value to be its fair value and therefore a prior year adjustment has been included to recognise the revised value of the land transferred on conversion from the Local Authority in the previous year.

The restated amounts for 31 August 2017 were as follows:

Surplus for the year £4,240,477 (Before restatement - £6,909,477).

Fixed assets net book value £8,013,968 (Before restatement - £10,682,968).

Restricted fixed asset fund £8,081,861 (Before restatement - £10,750,861).

Leasehold land and buildings in respect of Primrose Lane Primary School have been overstated within fixed assets. The cost was overstated by an amount of £2,669,000 resulting in a prior period adjustment amounting to £2,669,000.

The Huish Academy Trust

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	(As restated) Total 2017 £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	29	11,008	-	11,037
Transfer from local authority		-	(3,000)	4,404,903	4,401,903
<i>Charitable activities:</i>					
Funding for the academy's educational operations	3	3,142	1,962,485	8,736	1,974,363
Teaching schools		-	75,635	-	75,635
Other trading activities	4	17,193	15,491	-	32,684
Investments	5	245	-	-	245
Total		20,609	2,061,619	4,413,639	6,495,867
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	5,221	2,072,506	146,151	2,223,878
Teaching schools		-	70,512	-	70,512
Net income/(expenditure)		15,388	(81,399)	4,267,488	4,201,477
Transfers between funds	15	(42,859)	(28,601)	71,460	-
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes	15, 23	-	39,000	-	39,000
Net movement in (deficit)/funds		(27,471)	(71,000)	4,338,948	4,240,477
Reconciliation of funds					
Total funds/(deficit) brought forward		189,666	(735,000)	3,742,913	3,197,579
Total funds/(deficit) carried forward		162,195	(806,000)	8,081,861	7,438,056