

Registered number: 08076310 (England and Wales)

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST

(A company limited by guarantee)

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HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

Mr Nicholas Towers
Mrs Dawn Pateman
Mrs Natalie Grewcock
Mr David Walker
Mrs Jacqui Stretton

Trustees

Mrs Jacqui Stretton, Chair of Trustees and Parent Trustee (resigned Vice Chair 21 November 2018, appointed Chair 21 November 2018)
Mr Martin Towers, Vice Chair and Community Trustee (appointed Vice Chair 10 September 2019)
Mr David Walker, Community Trustee (Chair resigned 21 November 2018, Vice Chair appointed 21 November 2018 to 10 September 2019)
Mrs Rachel Cumberlidge, Headteacher and Accounting Officer
Mrs Jillian Matthews, Staff Trustee
Mrs Ruth Sansome, Parent Trustee
Mrs Vivienne Swain, Parent Trustee (resigned 21 November 2018)
Mrs Louise Ingram, Parent Trustee
Mrs Rosemary Baker, Community Trustee
Mrs Kate Noble, Staff Trustee (appointed 21 November 2018)
Mrs Louise Owen, Community Trustee (appointed 7 May 2019)

Senior Management Team

Mrs Rachel Cumberlidge - Headteacher
Mrs Jillian Matthews - Assistant Headteacher
Mrs Katie Sargent - School Business Manager

Company Name

Huncote Community Primary School Academy Trust

Principal and Registered Office

Huncote Community Primary School Academy Trust
Denman Lane
Huncote
Leicestershire
LE9 3BS

Company Registered Number

08076310 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers

Lloyds TSB
13 Crossways House
Lutterworth Road
Blaby
Leicestershire
LE8 4DD

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 4 to 11 serving a catchment area in Huncote, Leicestershire. It has a pupil capacity of 196 and had a roll of 186 in the school census on 3 October 2019.

On 1 April 2019 all assets and liabilities of the Academy Trust were transferred to Embrace Multi Academy Trust. The school's operations within Huncote Community Primary School Academy Trust ended on that date and the educational activity continued within Embrace Multi Academy Trust. The funding agreement with the Education and Skills Funding Agency was novated in favour of Embrace Multi Academy Trust on 1 April 2019.

The intention is to wind up the Huncote Community Primary School Academy Trust, as a company limited by guarantee, in due course once all the affairs are appropriately finalised.

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 Huncote Community Primary School Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Huncote Community Primary School 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

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £151.

Method of Recruitment and Appointment or Election of Trustees

Recruitment of Trustees is outlined in the Memorandum of Articles. The appointment of staff Trustees is via a process of a staff ballot. Appointment of Parent Trustees is made via a parent ballot.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustee induction training alongside a menu of extensive specialised training is available through the local network of schools to support all new Trustees. The Academy buys into the Local Authority Governor Development Service who offer further Trustee training. A skills matrix is being developed to identify areas of strength and weakness.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Organisational Structure

The Academy management structure consists of two levels: the Trustees and the Headteacher/Senior Managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer. The Trustees are responsible for setting general policy, adopting an annual improvement plan, approving the annual budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and staff appointments. Specific responsibilities of the committees are outlined in the relevant Terms of Reference.

The Trustees meet annually to receive the annual accounts. The Full Governing Body meet at least 6 times per year and at each meeting they receive the minutes and reports of the 2 sub-committees:

1. Resources (including Audit) – which meet at least 3 times per year; and
2. Teaching & Learning – which meet at least 3 times a year.

It should be noted that due to the short period before joining the Embrace MAT on 1 April 2019, the Trustees met less than the required amount.

The day-to-day management of the school is delegated to the Headteacher who has appointed a Leadership Team who meet weekly to discuss both strategic and day-to-day responsibilities. A scheme of delegation has been approved which provides a clear line of responsibilities at all levels.

Arrangements for setting pay and remuneration of key management personnel

An independent educational advisor is appointed each year to support the Trustees in Performance Managing the Headteacher and deciding on whether the Headteacher is eligible for a pay rise (November each year).

Related Parties and other connected charities and organisations

The Academy is an independent company in all respects. We work as part of a Primary Partnership, a collaborative network of local Primary Schools and a local Teaching School Alliance to support the continuing improvement of our schools.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objective of the charitable company is to provide education for pupils of different abilities between the ages of 4 and 11. Huncote Community Primary School Academy Trust is about 'Learning for Life: Aiming high in all we do'. The aims of the Academy are summarised below:

- provide a vibrant, stimulating and caring environment;
- encourage our children to thrive academically, socially and emotionally;
- engage our children in a creative, inspiring and inclusive curriculum;
- motivate and inspire our children for a life-long love of learning;
- work together within our school community to prepare our children for the challenges of modern life; and
- provide and promote a safe philosophy for the whole school community.

These aims are realised through effective working partnerships between staff, pupils, parents, Trustees, other schools, the Local Authority and the wider community. They are present through all school life and practice.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, Strategies and Activities

Huncote Community Primary School Academy Trust is a smaller than average sized primary school for pupils aged 4 – 11. It converted to Academy status on 1 July 2012. Most students are white British and a below average proportion is from minority ethnic heritages. The proportion of students with special needs is 18.7%. Huncote Community Primary School Academy Trust was inspected in May 2018 and judged to be requiring improvement.

Huncote Community Primary School Academy Trust has an outstanding reputation as a provider of quality education, sitting at the heart of the community with a firm commitment to ensuring that all of our students feel secure and challenged during their time in school. Our aim is to make everyone feel engaged and excited by learning and to experience the pleasure of achieving personal goals as well as working together as active and valued members of our school.

We are committed to creating and maintaining a working environment where students are keen to learn and respond positively to differing needs and priorities with the right balance of support and challenge. In so doing we believe that all our students have every opportunity to leave our school as confident, articulate and socially adept members of society. We aim to work effectively and proactively with home to provide the quality of education that our students need and deserve.

Our priorities during the period of this report have been:

- To continue to immerse children in a broad and balanced primary curriculum.
- To prepare children for statutory tests.
- To achieve standards in all key stages in line with national averages.
- To settle children into EYFS and accelerate learning from a low baseline.
- To continue to devolve leadership to key personnel.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The Trustees believe that the Academy's admissions policy and its achievements and performance in the year (as outlined below) provide clear evidence that the Academy is meeting its obligations as a charity to deliver public benefit.

STRATEGIC REPORT

Achievements and Performance

Children made good progress in the Foundation Stage from their baseline entry point and our result for Good Level of Development was 75.0% (National 71.8%); we were pleased with this result.

In Phonics the Year 1 children had a pass rate of 90% (National 82%); we were pleased with this result.

Children at the end of KS1 achieved the following:

Reading 79% at or above (National 75%), at greater depth 21% (National 25%);
Writing 67% at or above (National 69%), at greater depth 13% (National 22%);
Maths 75% at or above (National 76%), at greater depth 17% (National 29%).

We were broadly in line with national in Writing and Maths and above in Reading.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Children at the end of KS2 achieved the following:

Reading 78% at or above (National 73%), at greater depth 30% (National 27%);
Writing 83% at or above (National 78%), at greater depth 17% (National 20%);
Maths 96% at or above (National 79%), at greater depth 26% (National 27%);
Reading/Writing/Maths Combined 78% at or above (National 65%), at greater depth 17% (National 11%).

Children made progress that was in line with all schools nationally in Reading, Writing and Maths in the current year.

Key Performance Indicators

The Resources Committee at Huncote Community Primary School Academy Trust review financial performance indicators through three budget monitoring exercises per year where the current financial position is scrutinised. This in turn is presented to the Full Governing Body meeting three times a year with a commentary. In conjunction with this, financial indicators based upon current vs historic spending totals/per-pupil are also scrutinised.

Going Concern

The net assets of the Academy Trust on 1 April 2019 were £nil as the assets and liabilities were donated to Embrace Multi Academy Trust at that date. As such the company will be wound up in due course, and for this reason the Board of Trustees have decided not to adopt the going concern basis in preparing the financial statements. Further details regarding the going concern basis can be found in the Notes to the Financial Statements in Accounting Policies section 1.2.

FINANCIAL REVIEW

The vast majority of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), any received capital grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Academy Trust practices through its Board, namely the Governing Body and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

The figures for income and expenditure within these accounts are for the period of operations between 1 September 2018 and 31 March 2019 while the comparative 2018 figures show a full 12 months. The net assets at 31 March 2019 can be viewed in note 29.

Reserves Policy

The net assets of the Academy Trust on 1 April 2019 were £nil as the assets and liabilities were donated to Embrace Multi Academy Trust at that date. Prior year comparatives can be found on the face of the Balance Sheet.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Investment Policy

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Principal Risks and Uncertainties

The principal risks facing the Academy are included in the Risk Register and Management Plan and include:

- Strategic and Reputational risks
- Operational risks
- Compliance risks
- Financial risks

Control measures are in place to manage the identified risks, the key risks being that of reduced pupil numbers, that affect the level of funding and future Government cuts. Active promotion of the Academy is maintained and budgets monitored carefully over a 3 year period to manage any reduction in funding.

FUNDRAISING

The Academy Trust takes part in several national fundraising days throughout the year such as Children in Need and Comic Relief. It also participates in several fundraising activities for charities such as NSPCC and LOROS. All of the proceeds for these events are sent on to the relevant charity. These days are voluntary and pupils can choose whether they participate or not.

Our Year 5/6 pupils as part of an enterprise initiative hold a fundraising event where the proceeds are raised for use by the school.

The Academy Trust also has a fundraising team which is made up of volunteers, usually parents from the school. They hold several events during the year including discos, craft events and the Summer Fayre. This money is donated to the school to pay for items chosen in agreement by both the Academy Trust and the Fundraisers. All fundraising is monitored by the Trustees.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

PLANS FOR FUTURE PERIODS

- To continue to seek to improve the levels of performance of our children at all levels.
- Continue to improve the learning environment of the whole school building in relation to replacement windows.
- Ensuring that extended questioning techniques which promote higher order and divergent thinking is used consistently by all teachers.
- Encouraging risk taking and creativity in teaching to inspire learners and provide role models for learners to do the same.
- Developing and embedding learner independence in lessons across the curriculum.
- Ensure that any rising roll can be catered for within the present school building whilst retaining the quality of education provided

The intention is to wind up Huncote Community Primary School Academy Trust as a company in due course. The school's educational operations will continue within Embrace Multi Academy Trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The school does not hold any such funds on behalf of any other organisation.

AUDITOR

In so far as the trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 27 November 2019 and signed on the board's behalf by:

.....
Mrs Jacqui Stretton
Chair of Trustees

27 November 2019

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Huncote Community Primary School 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 3 times during the year, which is less than the required 6 times due to the short period before joining the Embrace MAT on 1 April 2019.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee		Meetings attended	Out of a possible
Mrs Jacqui Stretton	Chair	3	3
Mr Martin Towers	Vice Chair	3	3
Mrs Rachel Cumberlidge	Headteacher and Accounting Officer	3	3
Mrs Jillian Matthews	Staff Trustee	3	3
Mrs Louise Ingram		3	3
Mr David Walker		3	3
Mrs Rosemary Baker		3	3
Mrs Ruth Sansome		3	3
Mrs Kate Noble	Staff Trustee (appointed 21 November 2018)	2	3
Mrs Louise Owen	(appointed 7 May 2019)	0	0
Mrs Vivienne Swain	(resigned 21 November 2018)	0	0

The Trustees have considered the quality of the data they receive and consider it to be adequate for the purposes of overseeing the work of the Academy. Their assessment has been made having regard to externally validated data which is consistent with that received from within the Academy and data provided by the work of the internal and external auditors.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Governance reviews

The Governing Body has set up a GSET group that has begun to use the GSET evaluation tool to evaluate their role. From this evaluation they have prioritised their weakest area and have worked together to lead the work the governing body has done to address this. A governor monitoring system was set up and key governor roles drawn up and assigned to various governors.

The Resources Committee (including the Audit Committee) is a sub-committee of the main Board of Trustees. Its purpose is to:

- assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity;
- make appropriate comments and recommendations on such matters to the Governing Body on a regular basis; and
- major issues will be referred to the full Governing Body for ratification.

Attendance at meetings in the year was as follows:

Trustee		Meetings attended	Out of a possible
Mrs Jacqui Stretton	Chair	3	3
Mr Martin Towers	Vice Chair	3	3
Mrs Rachel Cumberlidge	Headteacher and Accounting Officer	3	3
Mrs Jillian Matthews	Staff Trustee	3	3
Mrs Louise Ingram		3	3
Mr David Walker		3	3
Mrs Rosemary Baker		3	3
Mrs Ruth Sansome		3	3
Mrs Kate Noble	Staff Trustee (appointed 21 November 2018)	1	1
Mrs Louise Owen	(appointed 7 May 2019)	0	0
Mrs Vivienne Swain	(resigned 21 November 2018)	0	1

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust 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:

- ensuring all financial transactions represent value for money and obtaining several quotes for work costing over £5,000;
- the avoidance of waste and extravagance;
- the establishment and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting; and
- the economic, efficient and effective use of all the resources in their charge to produce better educational results.

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 Huncote Community Primary School Academy Trust for the year 1 September 2018 to 31 August 2019 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 year 1 September 2018 to 31 August 2019 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 Resources 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;

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Leicestershire 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; and
- testing of control account/ bank reconciliations

On an annual basis, the auditor reports to the Board of Trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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; and
- 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 Resources 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 and signed on its behalf by:

.....
Mrs Jacqui Stretton
Chair of Trustees

.....
Mrs Rachel Cumberlidge
Accounting Officer

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2019

As Accounting Officer of Huncote Community Primary School Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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.

.....
Mrs Rachel Cumberlidge
Accounting Officer

27 November 2019

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 Academies Accounts Direction published by the Educational and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable laws and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

.....
Mrs Jacqui Stretton
Chair of Trustees

27 November 2019

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST**

OPINION

We have audited the financial statements of Huncote Community Primary School Academy Trust (the 'Academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

EMPHASIS OF MATTER - FINANCIAL STATEMENTS PREPARED ON A BASIS OTHER THAN GOING CONCERN

We draw attention to the Trustees' Report which explains that the Trustees intend to liquidate the company in due course, following the transfer of the Academy to Embrace Multi Academy Trust on 1 April 2019. The Trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.2. Our opinion is not modified in respect of this matter.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST**

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 Auditors' Report thereon. Other information includes Reference and Administrative details, Trustees' Report incorporating the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Director's Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's 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 Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report and Director's Report.

We have nothing to report in respect of the following matters in relation to which 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.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

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

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)
for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors
11 Merus Court
Meridian Business Park
LE19 1RJ

Date: 16 December 2019

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HUNCOTE
COMMUNITY PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 29 May 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Huncote Community Primary School Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Huncote Community Primary School Academy Trust's funding agreement with the Secretary of State for Education dated 29 June 2012, and the Academies Financial Handbook extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by the 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.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HUNCOTE
COMMUNITY PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY (continued)**

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making any appropriate enquiries of the Accounting Officer;
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity; and
- consideration of governance issues.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 16 December 2019

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
INCOME FROM:						
Donations and capital grants Funding for the Academy	2	1	-	-	1	4
Trust's educational operations	3	-	476	-	476	885
Other trading activities	4	19	-	-	19	30
TOTAL INCOME		20	476	-	496	919
EXPENDITURE ON:						
Raising funds	5	8	-	-	8	12
Academy Trust educational operations	6	120	183	1,315	1,618	969
TOTAL EXPENDITURE	9	128	183	1,315	1,626	981
NET (EXPENDITURE) / INCOME BEFORE TRANSFERS						
Transfers between Funds	18	(108) (21)	293 19	(1,315) 2	(1,130) -	(62) -
NET (EXPENDITURE) / INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(129)	312	(1,313)	(1,130)	(62)
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(75)	-	(75)	85
NET MOVEMENT IN FUNDS		(129)	237	(1,313)	(1,205)	23
RECONCILIATION OF FUNDS:						
Total funds brought forward		129	(237)	1,313	1,205	1,182
TOTAL FUNDS CARRIED FORWARD		-	-	-	-	1,205

The notes on pages 23 to 48 form part of these financial statements.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08076310

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£000	2019 £000	£000	2018 £000
FIXED ASSETS					
Tangible assets	15		-		1,313
CURRENT ASSETS					
Debtors	16	-		52	
Cash at bank and in hand		144		182	
		144		234	
LIABILITIES					
CREDITORS: amounts falling due within one year	17	(144)		(96)	
NET CURRENT ASSETS			-		138
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	23		-		(246)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			-		1,205
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	-		9	
Restricted fixed asset funds	18	-		1,313	
Restricted income funds excluding pension liability		-		1,322	
Pension reserve		-		(246)	
Total restricted income funds			-		1,076
Unrestricted income funds	18		-		129
TOTAL FUNDS			-		1,205

The financial statements on pages 20 to 48 were approved by the Trustees, and authorised for issue, on 27 November 2019 and are signed on their behalf, by:

.....
Mrs Jacqui Stretton
Chair of Trustees

.....
Mrs Rachel Cumberlidge
Accounting Officer

The notes on 23 to 48 form part of these financial statements.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	20	<u>(45)</u>	<u>(65)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2)	(2)
Capital grants from DfE Group		<u>9</u>	<u>101</u>
Net cash provided by investing activities	22	<u>7</u>	<u>99</u>
Change in cash and cash equivalents in the year		(38)	34
Cash and cash equivalents brought forward		<u>182</u>	<u>148</u>
Cash and cash equivalents carried forward		<u><u>144</u></u>	<u><u>182</u></u>

The notes on 23 to 48 form part of these financial statements.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

Huncote Community Primary School Academy Trust is a company limited by guarantee, incorporated in England. Its registered number and address are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustee's Report.

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

1.1 Basis of preparation of financial statements

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Huncote Community Primary School Academy Trust constitutes a public benefit entity as defined by FRS 102.

The Company's functional and presentational currency is British Pound Sterling (£), rounded to the nearest £1,000.

1.2 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 Academy Trust 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. The Trustee's have concluded that, as the charitable company ceased activity as at 1 April 2019 and assets were transferred to the Embrace Multi Academy Trust, they intend to liquidate the company in due course, thus they will not adopt the going concern basis of accounting in preparation of the financial statements. No restatement of assets and liabilities had been required at the date of transfer.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.3 Income

All incoming resources are recognised once the Academy Trust has entitlement to the income, the receipt is probable and the amount of income receivable can be measured reliably.

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

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

Capital grants are recognised when there is 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 an entitlement and are not deferred over the life of the asset on which they are expended.

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 receipt is probable and it can be measured reliably.

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

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

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.4 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.

Expenditure on raising funds 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.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £750 are capitalised 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 a transfer is made to reflect these assets in the restricted fixed asset fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	-	0.8% straight line per annum
Long leasehold property	-	2% and 10% straight line per annum
Furniture and fixtures	-	10% straight line per annum
Computer equipment	-	33.33% straight line per annum
Property improvements	-	10% straight line per annum

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.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.7 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

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

1.10 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 16. Prepayments are not financial instruments.

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 costs as detailed in note 17. 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 instruments.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the 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.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.12 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 15 for the carrying amount of fixed assets, and note 1.5 for the useful economic lives for each class of assets.

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 2019. 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.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those covering the choice of depreciation policies and asset lives.

1.13 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
PTA donations	1	-	-	1	4
Total 2018	-	4	-	4	

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	390	390	666
Pupil Premium	-	14	14	28
Devolved Formula Capital (DFC)	-	9	9	6
Capital Improvement Fund (CIF)	-	-	-	95
Other ESFA/DfE grants	-	27	27	44
	-	440	440	839
Other government grants				
Local Authority grants	-	12	12	20
	-	12	12	20
Other funding				
Trips and parental contributions	-	17	17	18
Insurance claims	-	5	5	8
Other grants	-	2	2	-
	-	24	24	26
	-	476	476	885
Total 2018	1	884	885	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Rental income	11	-	11	14
Fundraising income	1	-	1	2
Catering income	4	-	4	8
Other income	3	-	3	6
	<u>19</u>	<u>-</u>	<u>19</u>	<u>30</u>
Total 2018	<u>30</u>	<u>-</u>	<u>30</u>	

5. RAISING FUNDS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Catering costs	4	-	4	8
Rental expenses	2	-	2	-
Staff costs	2	-	2	4
	<u>8</u>	<u>-</u>	<u>8</u>	<u>12</u>
Total 2018	<u>12</u>	<u>-</u>	<u>12</u>	

6. ACADEMY TRUST'S EDUCATIONAL OPERATIONS

SUMMARY BY FUND TYPE

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Direct costs	-	1,462	1,462	626
Support costs	120	36	156	343
	<u>120</u>	<u>1,498</u>	<u>1,618</u>	<u>969</u>

In 2018 the total expenditure for unrestricted costs were £nil and restricted costs were £969,000.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. ACADEMY TRUST'S EDUCATIONAL OPERATIONS (continued)

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2019 £000	Depreciation 2019 £000	Other costs 2019 £000	Total 2019 £000	Total 2018 £000
Direct costs	306	24	1,132	1,462	626
Support costs	55	-	101	156	343
	<u>361</u>	<u>24</u>	<u>1,233</u>	<u>1,618</u>	<u>969</u>

In 2018 the total expenditure for Academy Trust educational operations of £969,000 was £634,000 for staff costs, £45,000 for depreciation and £290,000 for other costs.

The £55,000 support costs for staff costs does not include £4,000 relating to the pension finance cost which is included within other costs.

7. DIRECT COSTS

	Educational operations £000	Total 2019 £000	Total 2018 £000
Educational supplies	8	8	11
Staff development	7	7	7
Other direct costs	14	14	15
Insurance	4	4	6
Gifted donation (note 29)	1,099	1,099	-
Wages and salaries	235	235	409
National insurance	18	18	35
Pension cost	53	53	98
Depreciation	24	24	45
Total direct costs	<u>1,462</u>	<u>1,462</u>	<u>626</u>

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. SUPPORT COSTS

	Educational operations £000	Total 2019 £000	Total 2018 £000
Pension finance cost (note 14)	4	4	8
Travel and subsistence	1	1	-
Maintenance of premises and equipment	9	9	133
Cleaning	2	2	3
Rent and rates	5	5	4
Energy costs	5	5	8
Insurance	2	2	5
Catering	22	22	24
Legal and professional	13	13	13
Other support costs	30	30	54
Governance costs	8	8	7
Wages and salaries	42	42	65
National insurance	3	3	4
Pension cost	10	10	15
Total support costs	<u>156</u>	<u>156</u>	<u>343</u>

9. TOTAL EXPENDITURE

	Staff costs 2019 £000	Premises 2019 £000	Other costs 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds	2	-	6	8	12
Charitable activities:					
Direct costs	306	21	1,135	1,462	626
Support costs	59	31	66	156	343
	<u>367</u>	<u>52</u>	<u>1,207</u>	<u>1,626</u>	<u>981</u>
Total 2018	<u>639</u>	<u>209</u>	<u>133</u>	<u>981</u>	

In 2018, of the total expenditure on charitable educational activities of £981,000, £12,000 was from unrestricted funds, £45,000 from restricted fixed asset funds and £924,000 from restricted funds.

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10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019	2018
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the charity	24	45
Auditors' remuneration - audit services	7	7
Auditors' remuneration - non-audit services	1	1
Internal audit costs	-	1
Operating lease rentals	1	3
	<u><u> </u></u>	<u><u> </u></u>

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11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2019	2018
	£000	£000
Wages and salaries	279	467
Social security costs	21	39
Pension costs	63	113
	363	619
Agency staff costs	-	12
Pension finance cost (note 14)	4	8
	367	639

b. Staff numbers

The average number of persons employed by the Academy during the seven month period to 31 March 2019 (2018: average of 12 month period to 31 August 2018), at which point the teaching activities were transferred to Embrace Multi Academy Trust, was as follows:

	2019	2018
	No.	No.
Teaching	6	7
Administration and support	14	15
Management	3	3
	23	25
	23	25

Average headcount expressed as a full time equivalent:

	2019	2018
	No.	No.
Teaching	6	7
Administration and support	8	8
Management	3	3
	17	18
	17	18

During the year no employees benefits (excluding employer pension costs and employers national insurance) exceeded £60,000 on a pro-rata basis for the 7 months of operations (2018 - 0).

c. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Leadership 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 £105,387 for the seven months to 31 March 2019 (2018 - £159,767 for the twelve months to 31 August 2018).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. 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 Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and other 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:

		2019	2018
		£000	£000
R Cumberlidge	Remuneration	30-35	55-60
	Pension contributions paid	5-10	5-10
J Matthews	Remuneration	25-30	45-50
	Pension contributions paid	0-5	5-10
K Noble	Remuneration	0-5	-
	Pension contributions paid	0-5	-
S Milne	Remuneration	-	0-5
	Pension contributions paid	-	-
E Oliver	Remuneration	-	5-10
	Pension contributions paid	-	0-5

Yearly comparisons are not comparable due to the 7 months of operations in 2019.

During the year, no Trustee received reimbursement of expenses of £nil (2018 - £nil).

Other related party transactions including the Trustees are set out in note 25.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2019 was £151 (2018 - £151). The cost of this insurance is included in the total insurance cost.

14. PENSION FINANCE COST

	2019	2018
	£000	£000
Interest income on pension scheme assets	7	10
Interest on pension scheme liabilities	(11)	(18)
	(4)	(8)

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FOR THE YEAR ENDED 31 AUGUST 2019

15. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Property improvements £000	Furniture and fixtures £000	Computer equipment £000	Total £000
Cost					
At 1 September 2018	1,314	114	35	45	1,508
Additions	-	-	-	2	2
Transfer to the Embrace Multi Academy Trust	(1,314)	(114)	(35)	(47)	(1,510)
At 31 August 2019	-	-	-	-	-
Depreciation					
At 1 September 2018	114	35	8	38	195
Charge for the year	13	6	2	3	24
On transfer to the Embrace Multi Academy Trust	(127)	(41)	(10)	(41)	(219)
At 31 August 2019	-	-	-	-	-
Net book value					
At 31 August 2019	-	-	-	-	-
At 31 August 2018	1,200	79	27	7	1,313

Included in long leasehold property is land valued at £369,900. On conversion the land and property was valued in 2013 by Andrea Hopkins MRICS, Leicestershire County Council, using the depreciation replacement method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements. The freehold of this land and buildings is owned by Leicestershire County Council. The Academy Trust held a 125 year lease with no rent payable.

The trust's transactions relating to land and buildings included:

The leasehold of Land and Property was donated on 1 April 2019 to Embrace Multi Academy Trust, at a net book value of £1,187,000 with no gain or loss resulting on the transfer.

16. DEBTORS

	2019 £000	2018 £000
Trade debtors	-	1
VAT recoverable	-	17
Prepayments and accrued income	-	34
	-	52

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. CREDITORS: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	-	24
Taxation and social security	-	11
Other creditors	144	11
Accruals and deferred income	-	50
	<hr/> 144 <hr/>	<hr/> 96 <hr/>
	2019	2018
	£000	£000
Deferred income		
Deferred income at 1 September 2018	18	18
Resources deferred during the year	1	18
Amounts released from previous years	(18)	(18)
Amounts donated to multi academy trust	(1)	-
	<hr/> - <hr/>	<hr/> 18 <hr/>

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Unrestricted funds	129	20	(7)	(142)	-	-
Transfer to Multi Academy Trust	-	-	(121)	121	-	-
	<u>129</u>	<u>20</u>	<u>(128)</u>	<u>(21)</u>	<u>-</u>	<u>-</u>
Restricted funds						
General Annual Grant (GAG)	-	390	(400)	10	-	-
Other ESFA/DfE grants	9	27	(22)	(14)	-	-
Pupil Premium	-	14	(14)	-	-	-
Local Authority grants	-	12	(12)	-	-	-
Devolved Formula Capital	-	9	(9)	-	-	-
Other income	-	24	(24)	-	-	-
Transfer to Multi Academy Trust	-	-	313	(313)	-	-
Pension reserve	(246)	-	(15)	336	(75)	-
	<u>(237)</u>	<u>476</u>	<u>(183)</u>	<u>19</u>	<u>(75)</u>	<u>-</u>
Restricted fixed asset funds						
Net book value of assets	1,313	-	(24)	(1,289)	-	-
Transfer to Multi Academy Trust	-	-	(1,291)	1,291	-	-
	<u>1,313</u>	<u>-</u>	<u>(1,315)</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>1,076</u>	<u>476</u>	<u>(1,498)</u>	<u>21</u>	<u>(75)</u>	<u>-</u>
Total of funds	<u><u>1,205</u></u>	<u><u>496</u></u>	<u><u>(1,626)</u></u>	<u><u>-</u></u>	<u><u>(75)</u></u>	<u><u>-</u></u>

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees.

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE/ESFA Grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy Trust's educational operations.

Pupil Premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Devolved Formula Capital

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education and Skills Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Local Authority grants

Other funds provided by the Local Authorities for particular purposes within the Academy Trust's educational operations.

Other income

These consist of restricted income from all other sources to be used primarily for the Academy Trust's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately. Plans are in place to address the deficit.

Restricted fixed asset funds

The net book value of fixed asset fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

Transfers between funds

Within unrestricted funds: a transfer of £9,000 to restricted funds to be spent on restricted activities; and an internal transfer of £133,000 to account for the transfer to Multi Academy Trust.

Within restricted funds: a transfer of £2,000 to restricted fixed asset funds represents the purchase of computer equipment; and an internal transfer of £325,000 to account for the transfer to Multi Academy Trust.

Within restricted fixed asset funds: an internal transfer of £1,291,000 to account for the transfer to Multi Academy Trust.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2017 £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	111	31	(12)	(1)	-	129
Restricted funds						
General Annual Grant (GAG)	10	666	(677)	1	-	-
Other ESFA/DfE grants	-	44	(35)	-	-	9
Pupil Premium	-	28	(28)	-	-	-
Capital grants	-	95	(95)	-	-	-
Local Authority grants	-	19	(19)	-	-	-
Devolved Formula Capital	-	4	(4)	-	-	-
Other income	-	30	(30)	-	-	-
Pension reserve	(295)	-	(36)	-	85	(246)
	(285)	886	(924)	1	85	(237)
Restricted fixed asset funds						
Net book value of assets	1,356	-	(45)	2	-	1,313
Devolved Formula Capital	-	2	-	(2)	-	-
Total restricted funds	1,071	888	(969)	1	85	1,076
Total of funds	1,182	919	(981)	-	85	1,205

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Current assets	-	144	-	144
Creditors due within one year	-	(144)	-	(144)
	-	-	-	-

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	1,313	1,313
Current assets	129	105	-	234
Creditors due within one year	-	(96)	-	(96)
Pension reserve	-	(246)	-	(246)
	129	(237)	1,313	1,205

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £000	2018 £000
Net expenditure	(1,130)	(62)
Adjustment for:		
Depreciation charges	24	45
Decrease/(increase) in debtors	52	(24)
Increase in creditors	48	41
Capital grants from DfE and other capital income	(9)	(101)
Defined benefit pension scheme cost less contributions payable	11	28
Defined benefit pension scheme finance cost (note 14)	4	8
Fixed assets donated to multi academy trust	1,291	-
Pension liability donated to multi academy trust	(336)	-
Net cash used in operating activities	(45)	(65)

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£000	£000
Cash in hand	144	182
Total	144	182

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2019	2018
	£000	£000
Purchase of tangible fixed assets	(2)	(2)
Capital grants from DfE Group	9	101
Cash donated to Multi Academy Trust	(162)	-
	(155)	99

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £0 were payable to the schemes at 31 August 2019 (2018 - £10,463) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the period amounted to £29,234 (2018 - £52,523).

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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23. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £26,000 (2018 - £40,000), of which employer's contributions totalled £21,000 (2018 - £32,000) and employees' contributions totalled £5,000 (2018 - £8,000). The agreed contribution rates for future years are 23.6% for employers and 5.5% - 12.5% for employees.

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

The following data is at 31 March 2019 prior to the transfer to the Multi Academy Trust.

Principal actuarial assumptions:

	2019	2018
Discount rate for scheme liabilities	2.50 %	2.80 %
Rate of increase in salaries	3.40 %	3.30 %
Rate of increase for pensions in payment / inflation	2.40 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %
Inflation assumption (CPI)	2.40 %	2.30 %

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

	2019	2018
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

Sensitivity analysis	2019	2018
	£000	£000
Discount rate +0.1%	(22)	(19)
Discount rate -0.1%	22	19
Mortality assumption - 1 year increase	32	27
Mortality assumption - 1 year decrease	(32)	(27)
CPI rate +0.1%	18	15
CPI rate -0.1%	(18)	(15)

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23. PENSION COMMITMENTS (continued)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	-	273
Debt instruments	-	119
Property	-	40
Cash	-	9
	<u> </u>	<u> </u>
Total market value of assets	<u> </u> -	<u> </u> 441

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £000	2018 £000
Current service cost	(32)	(60)
Interest income	7	10
Interest cost	(11)	(18)
	<u> </u>	<u> </u>
Total	<u> </u> (36)	<u> </u> (68)
	<u> </u>	<u> </u>
Actual return on scheme assets	<u> </u> 12	<u> </u> 19

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

	2019 £000	2018 £000
Opening defined benefit obligation	687	687
Current service cost	32	60
Interest cost	11	18
Employee contributions	5	8
Actuarial losses/(gains)	80	(76)
Benefits paid	(9)	(10)
Liabilities donated to multi Academy Trust	(806)	-
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u> </u> -	<u> </u> 687

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23. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy Trust's share of scheme assets:

	2019	2018
	£000	£000
Opening fair value of scheme assets	441	392
Interest income	7	10
Actuarial losses	5	9
Employer contributions	21	32
Employee contributions	5	8
Benefits paid	(9)	(10)
Assets donated to multi Academy Trust	(470)	-
	-	441
Closing fair value of scheme assets	-	441

24. OPERATING LEASE COMMITMENTS

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£000	£000
Amounts payable:		
Within 1 year	-	1
Between 1 and 5 years	-	3
	-	4
Total	-	4

25. 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 Academies Financial Handbook including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period of account:

Huncote Summer Club, a group in which V Swain, a Trustee who resigned in the year, is a member. Transactions totalling £300 (2018 - £Nil), relating to the rental of the Academy Trust's premises took place during the year. A balance of £Nil (2018 - £Nil) was outstanding at 31 August 2019.

No other related party transactions took place in the period of account other than certain Trustees' remuneration and expenses as disclosed in note 12.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. CONTROLLING PARTY

The Academy Trust is ultimately controlled by the Governing Body, which includes the Headteacher and the Assistant Headteacher.

27. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

28. 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.

29. TRANSFER OUT ON ACADEMIES LEAVING THE TRUST

	Transfer out on academy leaving the trust £000
Tangible fixed assets	
Long leasehold property	1,187
Property improvements	73
Furniture and fixtures	25
Computer equipment	6
Other assets	
Debtors due within one year	36
Cash at bank and in hand	162
Liabilities	
Creditors due within one year	(54)
Pensions	
Pensions - pension scheme assets	470
Pensions - pension scheme liabilities	(806)
 Net Assets	 <u>1,099</u>

The Academy ceased its charitable activities on 1 April 2019. Its activities and funds at 1 April 2019 were donated to Embrace Multi Academy Trust.

Net assets of £1,099,000 includes a defined benefit pension scheme liability of £336,000. Excluding this amount, net assets would total £1,435,000.