

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 2016

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 8
Governance statement	9 – 12
Statement on regularity, propriety and compliance	13
Trustees' responsibilities statement	14
Independent auditors' report	15 –16
Independent reporting accountant's assurance report on regularity	17 – 18
Statement of financial activities	19
Balance sheet	20
Cash flow statement	21
Notes to the financial statements	22 - 45

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Members

Mr Nicholas Towers, Chair of Trustees
Mrs Dawn Pateman
Mr David Walker, Vice Chair of Trustees

Trustees / Governors

Mr Nick Towers Chair of Trustees Parent Trustee
Mr David Walker Vice Chair of Trustees Community Trustee
Mrs Jillian Matthews Staff Trustee
Mrs Rachel Cumberlidge Headteacher and Accounting Officer
Mrs Dawn Pateman Community Trustee
Mrs Jacqueline Stretton Parent Trustee
Mrs Ruth Sansome Parent Trustee
Mr Matthew Jones Community Trustee
Mrs Vivienne Swain Parent Trustee
Miss Samantha Milne Staff Trustee
Mrs Ella Oliver Staff Trustee (appointed 3 January 2016)
Mr Gary Fleming Community Trustee (resigned 23 September 2015)
Mrs Louise Owen Staff Trustee (resigned 14 December 2015)
Mrs Julie Phillips Parent Trustee (resigned January 2016)
Mrs Amanda Bee Community Trustee (resigned 29 June 2016)
Mrs Val Moore Community Trustee (appointed December 2015, resigned March 2016)

Company Secretary

Mrs E L Oliver

Senior Management Team

Rachel Cumberlidge (Headteacher)
Jillian Matthews (Assistant Headteacher)
Ella Oliver (Office 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)

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Independent Auditors

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

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
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended to 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Huncote, Leicestershire. It has a pupil capacity of 175 and had a roll of 177 in the school census on 1 October 2016.

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

Details of the Trustees who served throughout the year 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 £197.

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.

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.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees meet annually to receive the annual accounts. The FGB meet at least 4 times per year and at each meeting they receive the minutes and reports of the 3 sub committees:

1. Personnel & Finance – which meets at least 3 times per year
2. Teaching & Learning – which meets at least 3 times a year
3. Premises, Health & Safety – which meets at least 3 times a year

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 Key management personnel and deciding on whether they are 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 the Symphony Primary Partnership, a collaborative network of local Primary Schools 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, Governors, other schools, the Local Authority and the wider community. They are present through all school life and practice.

Objectives, Strategies and Activities

Huncote Community Primary School 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 12.8% and there is currently two students with a Special Educational Need statement.

Huncote Community Primary School was inspected in September 2014 and judged to be good with outstanding features.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Huncote Community Primary School Academy 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 prepare children for the new primary curriculum;

To prepare children for the new style SATs;

To settle staff and children into our new EYFS base and outdoor area;

To create some succession within the staff for key roles; and

To have a seamless transition from the change of personnel in the Office Manager role.

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.

GLD 61.5% National 69.3% Av points 33.6 National 34.5

Year 1 Phonics:

Year 1 pupils pass rate 88% National average 81%.

Children at the end of KS1:

Reading 78% at or above national 74%

Writing 61% at or above national 65%

Maths 74% at or above national 73%

This was the first year of assessing children in KS1 against the new curriculum.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Children at the end of KS2:

Children made progress that was in line with all schools nationally. In all three areas (Maths, Reading and Writing) the school was above floor targets. Along with the majority of schools nationally, our combined attainment measures dropped last year due to the higher expectations of the new curriculum, especially in Mathematics. The school has a target in the new academic year to address the area of Mathematics to raise this attainment in line with the other subjects.

Above in r, w and m	43%	national 53%
Reading	78%	national 66%
Maths	57%	national 70%
Grammar	78%	national 72%
Writing	74%	national 74%

We are pleased to say that our results across the school were good in all areas apart from Mathematics and compared favourably in all the other areas to Leicestershire and national scores.

Key Financial Performance Indicators

The personnel & Finance Sub-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 Trustee 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

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

FINANCIAL REVIEW

The vast majority of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 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 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.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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.

Reserves Policy

The Academy's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy which is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated. The Trustees review the reserve levels of the Academy in Personnel & Finance Committee meetings which take place regularly throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets, restricted funds and the pension reserve) is £93,000 which is less than advised. The Academy and the Trustees are aware of the significant pension fund deficit for the Local Government Pension Scheme (LGPS). This, however, does not mean that this is an immediate liability as employer contributions have been set at a level which responds to the deficit level and will be reviewed every 3 years to ensure that this continues to be the case.

At 31 August 2016 the total funds comprised:

Unrestricted		£93,000
Restricted:	Fixed asset funds	£1,367,000
	Pension reserve	£(346,000)
	Other	£10,000
		<hr/>
		£1,124,000
		<hr/> <hr/>

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 Risk
- 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.

**HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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 the rising roll can be catered for within the present school building whilst retaining the quality of education provide

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as Custodian Trustee on behalf of others.

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.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2016 and signed on the board's behalf by:

.....
Mr N Towers
Chair of Trustees

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 4 times during the year.

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

Trustee		Meetings attended	Out of a possible
Nick Towers	Chair	4	4
Dawn Pateman		4	4
Val Moore	(Resigned Mar 2016)	1	1
Amanda Bee	(Resigned June 2016)	1	3
Matthew Jones		1	4
Jill Matthews	Staff Trustee	4	4
Louise Owen	(Resigned 14 December)	2	2
Ella Oliver	Staff Trustee (appointed 3 January 2016)	1	2
Gary Fleming	(Resigned 23 Sept 2015)	0	1
Jacqui Stretton		4	4
Julie Phillips	(Resigned Jan 2016)	2	2
Ruth Sansome		4	4
Sam Milne		3	4
Viv Swain		3	4
Dave Walker	Vice Chair	3	4
Rachel Cumberlidge	Headteacher and Accounting Officer	4	4

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.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Personnel & Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- 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.
- To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.
- 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
Nick Towers	3	3
Dawn Pateman	3	3
Jill Matthews	3	3
Louise Owen	1	1
Ella Oliver	2	2
Jacqui Stretton	2	3
Julie Phillips	0	1
Viv Swain	3	3
Rachel Cumberlidge	3	3

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- 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

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 ended 31 August 2016 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 ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Personnel & Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

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

- to appoint 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
- testing of control account/ bank reconciliations

On an annual basis, the auditor reports to the Board of Trustees, through the Personnel & Finance committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2016 and signed on its behalf by:

.....
Mr N Towers
Chair of Trustees

.....
Mrs R Cumberlidge
Accounting Officer

HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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

.....
Mrs Rachel Cumberlidge
Accounting Officer

14 December 2016

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2016 and signed on its behalf by:

.....
N Towers
Chair of Trustees

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**

We have audited the financial statements of Huncote Community Primary School Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy's Board of Trustees, as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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's Board of Trustees for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

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**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

16 December 2016

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 FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Huncote Community Primary School Academy Trust during the year ended 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Huncote Community Primary School Academy Trust and the EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Huncote Community Primary School Academy Trust and the EFA, 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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 FUNDING AGENCY**
(continued)

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- 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
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

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 ended 31 August 2016 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

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

16 December 2016

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 2016**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
Note					
INCOME FROM:					
Donations and capital grants	2	-	-	329	329
Funding for the Academy					94
Trust's educational activities	3	-	739	-	739
Other trading activities	4	29	-	-	29
		<u>29</u>	<u>739</u>	<u>329</u>	<u>845</u>
TOTAL INCOME				1,097	845
EXPENDITURE ON:					
Raising funds	5	9	-	-	9
Academy Trust educational operations	6	-	745	42	787
		<u>9</u>	<u>745</u>	<u>42</u>	<u>765</u>
TOTAL EXPENDITURE				796	765
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
		20	(6)	287	301
Transfers between Funds	17	-	(39)	39	-
		<u>20</u>	<u>(45)</u>	<u>326</u>	<u>301</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		20	(45)	326	301
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(67)	-	(67)
		<u>20</u>	<u>(112)</u>	<u>326</u>	<u>234</u>
NET MOVEMENT IN FUNDS				234	87
RECONCILIATION OF FUNDS:					
Total funds brought forward (as restated)		73	(224)	1,041	890
		<u>73</u>	<u>(224)</u>	<u>1,041</u>	<u>890</u>
TOTAL FUNDS BROUGHT FORWARD (AS RESTATED)		93	(336)	1,367	890

The notes on pages 22 to 44 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 2016

	Note	£000	2016 £000	As restated 2015 £000
FIXED ASSETS				
Tangible assets	13		1,366	1,041
CURRENT ASSETS				
Debtors	14	20		34
Cash at bank and in hand		147		137
		<u>167</u>		<u>171</u>
CREDITORS: amounts falling due within one year	15	(63)		(60)
NET CURRENT ASSETS			<u>104</u>	<u>111</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,470</u>	<u>1,152</u>
Defined benefit pension scheme liability	22		(346)	(262)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,124</u></u>	<u><u>890</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	10		38
Fixed asset funds	17	1,367		1,041
		<u>1,377</u>		<u>1,079</u>
Restricted funds excluding pension liability				1,079
Pension reserve		(346)		(262)
		<u>1,031</u>		<u>817</u>
Unrestricted income funds	17		93	73
TOTAL FUNDS			<u><u>1,124</u></u>	<u><u>890</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2016 and are signed on their behalf, by:

.....
Mr N Towers
Chair of Trustees

.....
Mrs R Cumberlidge
Accounting Officer

The notes on pages 22 to 44 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 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>48</u>	<u>79</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(367)	(68)
Capital grants from DfE/EFA		-	56
Donated assets from Local Authority		<u>329</u>	<u>-</u>
Net cash used in investing activities		<u>(38)</u>	<u>(12)</u>
Change in cash and cash equivalents in the year		10	67
Cash and cash equivalents brought forward		<u>137</u>	<u>70</u>
Cash and cash equivalents carried forward	20	<u><u>147</u></u>	<u><u>137</u></u>

The notes on pages 22 to 44 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 2016

1. ACCOUNTING POLICIES

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

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Financial Statements are prepared in £ sterling, the functional currency, rounded to the nearest £1,000.

The company is incorporated in the UK.

The registered office is Denman Lane, Leicester, Leicestershire, LE9 3BS.

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

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 to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received 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 and there is not unconditional entitlement to the income its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

Donations are recognised on a receivable basis where the receipt is probable, there are no performance-related conditions 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 goods have been provided or on completion of the service.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

All resources expended are 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, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	-	125 years over life of lease
Long leasehold property	-	2% and 10% straight line per annum
Furniture, fixtures and equipment	-	10% straight line per annum
Computer equipment	-	33.33% straight line per annum

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.7 Taxation

The Academy 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 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 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 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.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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 recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

1.11 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

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 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account 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 2016

1. ACCOUNTING POLICIES (continued)

1.13 Critical accounting estimates and areas of judgement

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

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 13 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.14 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 the Department for Education 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 and include grants from the Department for Education.

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 2016

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	As restated 14 month period ended 31 August 2015 £000
Donated assets from Local Authority	-	-	329	329	-
Capital Grants	-	-	-	-	94
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	-	329	329	94
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015 total income from donations and capital grants of £94,000 was restricted income.

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	634	634	605
Pupil Premium	-	34	34	33
Devolved Formula Capital (DFC)	-	6	6	6
Other EFA/DfE grants	-	38	38	51
	<hr/>	<hr/>	<hr/>	<hr/>
	-	712	712	695
Other government grants				
Local Authority grants	-	10	10	4
	<hr/>	<hr/>	<hr/>	<hr/>
	-	10	10	4
Other funding				
Trips and parental contributions	-	17	17	16
	<hr/>	<hr/>	<hr/>	<hr/>
	-	17	17	16
	<hr/>	<hr/>	<hr/>	<hr/>
	-	739	739	715
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015 total income from educational operations was restricted income.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
Rental income	12	-	12	24
Fundraising income	2	-	2	-
Catering income	8	-	8	7
Other income	7	-	7	5
	<u>29</u>	<u>-</u>	<u>29</u>	<u>36</u>

In 2015 total income from other trading activities was unrestricted income.

5. RAISING FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
Catering costs	6	-	6	7
Voluntary income staff costs	3	-	3	3
	<u>9</u>	<u>-</u>	<u>9</u>	<u>10</u>

In 2015 total voluntary income was unrestricted income.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

6. ACADEMY TRUST EDUCATIONAL OPERATIONS

	Total funds 2016 £000	As restated Total funds 2015 £000
DIRECT COSTS		
Wages and salaries	383	369
National insurance	23	23
Pension cost	71	61
Depreciation	42	26
Educational supplies	9	3
Staff development	8	6
Other direct costs	11	16
Insurance	5	4
	552	508
SUPPORT COSTS		
Wages and salaries	65	64
National insurance	4	3
Pension cost	13	13
Pension finance costs (note 12)	10	9
Travel and subsistence	1	-
Maintenance of premises and equipment	22	33
Cleaning	8	8
Rent and rates	6	6
Energy costs	7	8
Insurance	5	16
Catering	28	29
Legal and professional	16	17
Other support costs	43	32
Governance costs	7	9
	235	247
	787	755

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2016	2016	2016	2016	2015
	£000	£000	£000	£000	£000
Expenditure on raising voluntary income	2	-	7	9	10
Activities:					
Direct costs	477	31	44	552	508
Support costs	92	44	99	235	247
	<u>571</u>	<u>75</u>	<u>150</u>	<u>796</u>	<u>765</u>

In 2016, of the total expenditure, £9,000 (2015 - £10,000) was from unrestricted funds and £787,000 (2015 - £755,000) was from restricted funds.

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the charity	42	26
Auditors' remuneration - audit	6	8
Internal audit costs	1	1
Operating lease rentals	2	2
	<u>51</u>	<u>37</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£000	£000
Wages and salaries	451	433
Social security costs	26	27
Operating costs of defined benefit pension schemes	84	74
	<u>561</u>	<u>534</u>
Supply teacher costs	-	2
Pension finance cost (note 12)	10	9
	<u>571</u>	<u>545</u>

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

	2016	2015
	No.	No.
Teaching	9	7
Administration and support	19	16
Management	3	3
	<u>31</u>	<u>26</u>

Average number expressed as a full time equivalent:

	2016	2015
	No.	No.
Teaching	7	6
Administration and support	6	8
Management	3	3
	<u>16</u>	<u>17</u>

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	-

The above employee participated in the Teachers' Pension Scheme. The pension contributions during the year in respect of these employees amounted to £8,988.

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 employer benefits (including employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £155,908 (2015 - £148,703).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. 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:

		2016	2015
		£000	£000
R Cumberlidge	Remuneration	60-65	55-60
	Pension contributions paid	5-10	5-10
J Matthews	Remuneration	50-55	45-50
	Pension contributions paid	5-10	5-10
L Owen	Remuneration	5-10	20-25
	Pension contributions paid	0-5	0-5
S Milne	Remuneration	0-5	0-5
E Oliver	Remuneration	10-15	-
	Pension contributions paid	0-5	-

During the year, 1 Trustee received reimbursement of expenses of £4 (2015 - £NIL).

Other related parties transactions involving Trustees are set out in note 24.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £197 (2015 - £1,243).

12. PENSION FINANCE COSTS

	2016	2015
	£000	£000
Interest income on pension scheme assets	10	8
Interest on pension scheme liabilities	(20)	(17)
	(10)	(9)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost					
At 1 September 2015	985	80	7	34	1,106
Additions	329	34	3	1	367
At 31 August 2016	<u>1,314</u>	<u>114</u>	<u>10</u>	<u>35</u>	<u>1,473</u>
Depreciation					
At 1 September 2015 (as previously stated)	39	4	1	12	56
Prior year adjustment	9	-	-	-	9
At 1 September 2015 (as restated)	48	4	1	12	65
Charge for the year	22	9	1	10	42
At 31 August 2016	<u>70</u>	<u>13</u>	<u>2</u>	<u>22</u>	<u>107</u>
Net book value					
At 31 August 2016	<u>1,244</u>	<u>101</u>	<u>8</u>	<u>13</u>	<u>1,366</u>
At 31 August 2015 (as restated)	<u>937</u>	<u>76</u>	<u>6</u>	<u>22</u>	<u>1,041</u>

Included in long leasehold property is land valued at £435,100 on conversion in 2013 by Andrea Hopkins MRICS, Leicestershire County Council, using the depreciation replacement method. The freehold of this land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year lease on a peppercorn rent from 2013.

14. DEBTORS

	2016 £000	2015 £000
Trade debtors	1	1
VAT recoverable	2	18
Prepayments and accrued income	17	15
	<u>20</u>	<u>34</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. CREDITORS: Amounts falling due within one year

	2016	2015
	£000	£000
Other taxation and social security	10	9
Other creditors	10	10
Accruals and deferred income	43	41
	63	60
	63	60
	2016	2015
	£000	£000
Deferred income		
Deferred income at 1 September 2015	17	14
Resources deferred during the year	17	17
Amounts released from previous years	(17)	(14)
	17	17
Deferred income at 31 August 2016	17	17

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals in relation to funding for the next academic year.

16. PRIOR YEAR ADJUSTMENT

The prior period adjustment reflects depreciation of long leasehold land from the date of conversion until 31 August 2015. The cumulative depreciation charge for the period ended 31 August 2015 amounted to £9,000. This adjustment has been made to align the Academy's accounting policy in this area with now generally accepted best practice in the sector. Total funds were previously stated at 31 August 2015 as £899,000.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17. STATEMENT OF FUNDS

	Brought Forward £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Carried forward £000
Unrestricted funds						
Unrestricted funds	73	29	(9)	-	-	93
Restricted funds						
General Annual Grant (GAG)	-	634	(626)	(4)	-	4
Other DfE/EFA grants	-	38	(38)	-	-	-
Pupil Premium	-	34	(34)	-	-	-
Capital grants	38	-	(3)	(35)	-	-
Other Local Authority grants	-	10	(10)	-	-	-
Other income	-	17	(17)	-	-	-
Devolved Formula Capital (DFC)	-	6	-	-	-	6
Pension reserve	(262)	-	(17)	-	(67)	(346)
	<u>(224)</u>	<u>739</u>	<u>(745)</u>	<u>(39)</u>	<u>(67)</u>	<u>(336)</u>
Restricted fixed asset funds						
Net book value of assets	1,041	329	(42)	38	-	1,366
Unspent capital grants	-	-	-	1	-	1
	<u>1,041</u>	<u>329</u>	<u>(42)</u>	<u>39</u>	<u>-</u>	<u>1,367</u>
Total restricted funds	<u>817</u>	<u>1,068</u>	<u>(787)</u>	<u>-</u>	<u>(67)</u>	<u>1,031</u>
Total of funds	<u><u>890</u></u>	<u><u>1,097</u></u>	<u><u>(796)</u></u>	<u><u>-</u></u>	<u><u>(67)</u></u>	<u><u>1,124</u></u>

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17. STATEMENT OF FUNDS (continued)

General Annual Grant (GAG)

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Transfers of £4,000 from GAG and £35,000 from CIF to the restricted fixed asset fund represents contributions towards property improvements, plant and machinery, furniture and equipment, computer equipment and future fixed asset purchases.

Other DfE/EFA Grants

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

Pupil Premium

Additional funds from the Education 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.

Other income

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

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education 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.

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.

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.

The unspent capital grant fund has been created to recognise unspent Condition Improvement Funding (CIF) received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the restricted fixed assets fund.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	As restated Total funds 2015 £000
Tangible fixed assets	-	-	1,366	1,366	1,041
Current assets	93	73	1	167	171
Creditors due within one year	-	(63)	-	(63)	(60)
Provisions for liabilities and charges	-	(346)	-	(346)	(262)
	<u>93</u>	<u>(336)</u>	<u>1,367</u>	<u>1,124</u>	<u>890</u>

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

	2016 £000	2015 £000
Net income for the year (as per Statement of Financial Activities)	301	80
Adjustment for:		
Depreciation charges	42	26
Decrease/(increase) in debtors	14	(7)
Increase in creditors	3	19
Capital grants from DfE and other capital income	(329)	(56)
Defined benefit pension scheme cost less contributions payable	7	8
Defined benefit pension scheme finance cost	10	9
Net cash provided by operating activities	<u>48</u>	<u>79</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash in hand	147	137
Total	<u>147</u>	<u>137</u>

21. CAPITAL COMMITMENTS

At 31 August 2016 the Academy had capital commitments as follows:

	2016 £000	2015 £000
Contracted for but not provided in these financial statements	-	38

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS

The Academy'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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £9,611 were payable to the schemes at 31 August 2016 (2015 - £9,065) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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

The employer's pension costs paid to TPS in the period amounted to £49,000 (2015 - £40,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £37,000 (2015 - £33,000), of which employer's contributions totalled £29,000 (2015 - £26,000) and employees' contributions totalled £8,000 (2015 - £7,000). The agreed contribution rates for future years are 21.4% for employers and between 5.5% and 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	4.60 %
Rate of increase for pensions in payment	2.10 %	2.70 %
Inflation assumption (CPI)	2.10 %	2.60 %

Sensitivity analysis:

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Changes in assumptions at 31 August 2016	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14	97
1 year increase in member life expectancy	3	20
0.5% increase in the Salary Increase Rate	6	43
0.5% increase in the Pension Increase Rate	8	51

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	235	155
Debt instruments	59	50
Property	30	26
Cash	3	5
Total market value of assets	327	236

The Academy expects to contribute £31,000 to its defined benefit pension scheme in 2017.

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

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(36)	(34)
Net interest cost	(10)	(9)
Total	(46)	(43)
Actual return on scheme assets	55	9

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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

	2016	2015
	£000	£000
Opening defined benefit obligation	498	447
Current service cost	36	34
Contributions by employees	8	7
Actuarial losses/(gains)	112	(6)
Interest cost	20	17
Exchange differences on foreign schemes	(1)	(1)
	<hr/>	<hr/>
Closing defined benefit obligation	673	498
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	£000	£000
Opening fair value of scheme assets	236	195
Interest income	10	8
Actuarial gains	45	1
Contribution by employer	29	26
Contribution by employees	8	7
Benefits paid	(1)	(1)
	<hr/>	<hr/>
Closing fair value of scheme assets	327	236
	<hr/> <hr/>	<hr/> <hr/>

23. OPERATING LEASE COMMITMENTS

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

	2016	2015
	£000	£000
Amounts payable:		
Within 1 year	2	2
Between 1 and 5 years	2	3
	<hr/>	<hr/>
Total	4	5
	<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

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

Huncote Community Association, a group in which D Pateman, a Trustee, is a member. Transactions totalling £8,594 (2015 - £6,338), relating to the rental of the Academy premises took place during the year. A balance of £33 (2015 - £9) was outstanding at 31 August 2016.

25. CONTROLLING PARTY

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

26. COMPANY LIMITED BY GUARANTEE

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

27. 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

28. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	1 September 2014	31 August 2015
	£000	£000
Total funds under previous UK GAAP	809	899
Total funds reported under FRS 102	<u>809</u>	<u>899</u>

Reconciliation of net income before gains and losses	Notes	31 August 2015
		£000
Net income previously reported under UK GAAP		87
Defined benefit pension scheme finance cost	A	(4)
Net income reported under FRS 102		<u>83</u>

Explanation of changes to previously reported funds and net income/expenditure:

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the Academy Trust accounted for an expected return on plan assets. FRS102 requires the expected return on scheme assets to be analysed between two components; interest income on plan assets and other actuarial gains on plan assets.

Under FRS102 the latter component of the expected return on scheme assets, other actuarial gains, is reported within actuarial gains and losses in the Statement of Financial Activities rather than being accounted for in arriving at net income or expenditure for the year, as it was under previous UK GAAP.

The effect of the change has been to reduce reported net income for the year. Actuarial losses for the year have decreased correspondingly. Net movement in funds reported in the year is unchanged.