

Registered number: 08076310 (England and Wales)

**HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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**HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

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

**Trustees**

Mr David Walker, Chair of Trustees and Community Trustee  
Mrs Jacqueline Stretton, Vice Chair of Trustees and Parent Trustee  
Mrs Rachel Cumberlidge, Headteacher and Accounting Officer  
Mrs Jillian Matthews, Staff Trustee  
Mrs Dawn Pateman, Community Trustee (resigned 8 January 2018)  
Mrs Ruth Sansome, Parent Trustee  
Mrs Vivienne Swain, Parent Trustee (resigned 21 November 2018)  
Miss Samantha Milne, Staff Trustee (resigned 4 July 2018)  
Mrs Ella Oliver, Staff Trustee (resigned 20 December 2017)  
Mr Martin Towers, Community Trustee  
Mrs Louise Ingram, Parent Trustee  
Mrs Rosemary Baker, Community Trustee  
Mrs Kate Noble, Staff Trustee (appointed 21 November 2018)

**Senior Leadership Team**

Mrs Rachel Cumberlidge - Headteacher  
Mrs Jillian Matthews - Assistant Headteacher  
Mrs Ella Oliver - Office Manager (resigned 20 December 2017)  
Mrs Katie Sargent - School Business Manager (appointed 9 April 2018)

**Company Name**

Huncote Community Primary School Academy Trust

**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 2018**

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**Bankers**

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

**Solicitors**

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

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**HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. 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 175 and had a roll of 177 in the school census on 4 October 2018.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of 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 and Association. 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 Trust buys into the LA Governor Development Service who offer further Trustee training. A skills matrix is being developed to identify areas of strength and weakness.

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**HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Organisational Structure**

The Academy Trust 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 Trust by the use of budgets and making major decisions about the direction of the Academy Trust, 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 meets at least 6 times per year and at each meeting they receive the minutes and reports of the 2 sub-committees:

1. Resources, Health & Safety and Premises (including Audit) – which meet at least 3 times per year; and
2. Teaching & Learning – which meet 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 deciding on whether the Headteacher is eligible for a pay rise (November each year).

### **Related Parties and Other Connected Charities and Organisations**

The Academy Trust 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 Trust 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.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 Trust 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% and there are currently two students with a Special Educational Need statement. 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 the new primary curriculum;
- to prepare children for statutory tests;
- to settle children into EYFS and accelerate learning from a low baseline;
- to create some succession within the staff for key roles; and
- 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 Trust's admissions policy and its achievements and performance in the year (as outlined below) provide clear evidence that the Academy Trust 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 75.9% (national 71.5%), we were pleased with this result.

In Phonics, the Year 1 children achieved a pass rate of 88% (national 82%), we were pleased with this result.

Children at the end of KS1 achieved the following:

Reading 72% at or above (national 75%), at greater depth 20% (national 26%);  
Writing 64% at or above (national 70%), at greater depth 12% (national 17%); and  
Maths 80% at or above (national 76%), at greater depth 16% (national 22%).

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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We were broadly in line with national in Reading and above in Maths. We were pleased with the increases in figures in Reading and especially in Maths but now need to work on bringing Writing up to national, however of our current cohort of children, one third of them are on SEND record which affected scores.

Children at the end of KS2 achieved the following:

Reading 50% at or above (national 75%), at greater depth 0% (national 28%);  
Writing 73% at or above (national 78%), at greater depth 12% (national 20%);  
Maths 62% at or above (national 76%), at greater depth 8% (national 24%); and  
Reading/Writing/Maths Combined 42% at or above (national 64%), at greater depth 0% (national 10%).

Children made progress that was in line with all schools nationally in Writing. In Reading and Maths, they made well below average progress and these are our areas of school improvement for the coming year.

### **Key Performance Indicators**

The Resources, Health & Safety and Premises 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 Trust'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 2018 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 capital grants received are shown in the Statement of Financial Activities as restricted income in the restricted funds. 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 Board of Trustees 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 Board of Trustees 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 Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Reserves Policy**

The Academy Trust's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Academy Trust has or can make available to spend for any or all of the Academy Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy Trust which is to be spent at the Trustees' discretion in furtherance of any of the Academy Trust's object's, but which is not yet spent, committed or designated. The Trustees review the reserve levels of the Academy Trust in Resources, Health & Safety and Premises 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 Trust's current level of free reserves (total funds less the amount held in fixed assets, restricted funds and the pension reserve) is £129,000. The Academy Trust 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 2018 the total funds comprised:

Unrestricted:		£129,000
Restricted:	Fixed asset funds	£1,313,000
	Pension reserve	(£246,000)
	Other	£9,000
		<u>£1,205,000</u>

### **Investment Policy**

The Academy Trust 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.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 forwarded to the relevant charity. These days and events are voluntary, and pupils can choose whether they participate or not.

Our Year 5/6 pupils as part of an enterprise type initiative hold a fundraising fayre event where the proceeds go to the school private fund account. They then choose something to buy for the school using this money, e.g. library books.

**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.

**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; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on 5 December 2018 and signed on the Board's behalf by:

.....  
**Mr D Walker**  
Chair of Trustees

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**HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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:

<b>Trustee</b>		<b>Meetings attended</b>	<b>Out of a possible</b>
Mr David Walker	Chair	4	4
Mrs Jacqueline Stretton	Vice Chair	3	4
Mrs Rachel Cumberlidge	Headteacher and Accounting Officer	4	4
Mrs Jillian Matthews	Staff Trustee	4	4
Mrs Dawn Pateman	(resigned 8 January 2018)	2	2
Mrs Ruth Sansome		4	4
Mrs Vivienne Swain		2	4
Miss Samantha Milne	Staff Trustee (resigned 4 July 2018)	3	3
Mrs Ella Oliver	Staff Trustee (resigned 20 December 2017)	0	2
Mr Martin Towers		3	4
Mrs Louise Ingram		4	4
Mrs Rosemary Baker		4	4

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 Trust. Their assessment has been made having regard to externally validated data which is consistent with that received from within the Academy Trust 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 2018**

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**Governance reviews**

The Board of Trustees 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 Board of Trustees has done to address this. A Trustee monitoring system was set up and key Trustee roles drawn up and assigned to various Trustees.

The Resources, Health & Safety and Premises 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 Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy Trust's finances and resources, including proper planning, monitoring and probity;
- make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis; and
- major issues will be referred to the full Board of Trustees for ratification.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr David Walker	2	3
Mrs Jacqueline Stretton (Chair)	3	3
Mrs Rachel Cumberlidge	3	3
Mrs Jillian Matthews	3	3
Mrs Dawn Pateman	1	1
Mrs Ruth Sansome	2	3
Mrs Vivienne Swain	1	3
Miss Samantha Milne	1	3
Mrs Ella Oliver	1	1
Mr Martin Towers	2	3
Mrs Rosemary Baker	3	3

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**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'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.

**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 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

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

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Resources, Health & Safety and Premises 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; and
- identification and management of risks.

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**HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST  
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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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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, Health & Safety and Premises 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, Health & Safety and Premises 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 5 December 2018 and signed on its behalf by:

.....  
**Mr D Walker**  
Chair of Trustees

.....  
**Mrs R Cumberlidge**  
Accounting Officer

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**HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2018**

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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 2017.

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 2017.

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 R Cumberlidge**  
Accounting Officer

5 December 2018

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**HUNCOTE COMMUNITY PRIMARY SCHOOL ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding and Skills 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 2017 to 2018;
- 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:

.....  
**Mr D Walker**  
Chair of Trustees

5 December 2018



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**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**

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**OPINION**

We have audited the financial statements of Huncote Community Primary School Academy Trust (the 'Academy') for the year ended 31 August 2018 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 2017 to 2018 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 2018 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 2017 to 2018 issued by the Education and 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.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

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

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**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. 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has 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.

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.

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

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

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**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](http://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.

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  
LE19 1RJ

Date: 17 December 2018

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

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

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In accordance with the terms of our engagement letter dated 28 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Huncote Community Primary School Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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's income and expenditure.

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

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

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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 making and appropriate enquiries of the Accounting Officer; 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 1 September 2017 to 31 August 2018 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: 17 December 2018

**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 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>INCOME FROM:</b>						
Donations and capital grants Funding for the Academy	2	-	4	-	4	6
Trust's educational activities	3	1	882	2	885	796
Other trading activities	4	30	-	-	30	30
<b>TOTAL INCOME</b>		<b>31</b>	<b>886</b>	<b>2</b>	<b>919</b>	<b>832</b>
<b>EXPENDITURE ON:</b>						
Raising funds	5	12	-	-	12	12
Academy Trust educational operations	6	-	924	45	969	844
<b>TOTAL EXPENDITURE</b>	7	<b>12</b>	<b>924</b>	<b>45</b>	<b>981</b>	<b>856</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	16	19 (1)	(38) 1	(43) -	(62) -	(24) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial gains on defined benefit pension schemes	20	-	85	-	85	82
<b>NET MOVEMENT IN FUNDS</b>		<b>18</b>	<b>48</b>	<b>(43)</b>	<b>23</b>	<b>58</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		111	(285)	1,356	1,182	1,124
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>129</b>	<b>(237)</b>	<b>1,313</b>	<b>1,205</b>	<b>1,182</b>

The notes on pages 23 to 46 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 2018**

	Note	£000	2018 £000	£000	2017 £000
<b>FIXED ASSETS</b>					
Tangible assets	13		1,313		1,356
<b>CURRENT ASSETS</b>					
Debtors	14	52		28	
Cash at bank and in hand		182		148	
		<u>234</u>		<u>176</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(96)		(55)	
<b>NET CURRENT ASSETS</b>			<u>138</u>		<u>121</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Defined benefit pension scheme liability	20		(246)		(295)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>1,205</u>		<u>1,182</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	9		10	
Restricted fixed asset funds	16	1,313		1,356	
Restricted income funds excluding pension liability		1,322		1,366	
Pension reserve		(246)		(295)	
Total restricted income funds			<u>1,076</u>		<u>1,071</u>
Unrestricted income funds	16		129		111
<b>TOTAL FUNDS</b>			<u>1,205</u>		<u>1,182</u>

The financial statements on pages 20 to 46 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

.....  
**Mr D Walker**  
Chair of Trustees

.....  
**Mrs R Cumberlidge**  
Accounting Officer

The notes on pages 23 to 46 form part of these financial statements.

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

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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	<b>Note</b>	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	<u>(65)</u>	<u>29</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(2)	(34)
Capital grants from DfE Group		<u>101</u>	<u>6</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>99</u>	<u>(28)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>34</b>	<b>1</b>
Cash and cash equivalents brought forward		<u>148</u>	<u>147</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>182</u></u>	<u><u>148</u></u>

The notes on pages 23 to 46 form part of these financial statements.



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

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 2017 to 2018 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.

It is a company limited by guarantee incorporated in England and Wales. The address of the registered office and principal place of operations are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Company's functional and presentational currency is British Pound Sterling (£).

**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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the Academy Trust 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 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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, fixtures and equipment	-	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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 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 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.

**1.11 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 14. 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 15. 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.12 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 20, the TPS is an unfunded 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 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 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 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*Critical areas of judgment:*

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

**1.14 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 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 2018**

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
PTA donations	-	4	-	4	6
Total 2017	1	-	5	6	

**3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	666	666	675
Pupil Premium	-	28	28	34
Devolved Formula Capital (DfC)	-	6	6	6
Capital Improvement Fund (CIF)	-	95	95	-
Other ESFA/DfE grants	-	44	44	35
	-	839	839	750
<b>Other government grants</b>				
Local Authority grants	1	19	20	20
	1	19	20	20
<b>Other funding</b>				
Trips and parental contributions	-	18	18	22
Insurance claims	-	8	8	4
	-	26	26	26
	1	884	885	796
Total 2017	-	796	796	

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

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**4. OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2018 £000</b>	<b>Restricted funds 2018 £000</b>	<b>Total funds 2018 £000</b>	<b>Total funds 2017 £000</b>
Rental income	14	-	14	15
Fundraising income	2	-	2	1
Catering income	8	-	8	10
Other income	6	-	6	4
	<u>30</u>	<u>-</u>	<u>30</u>	<u>30</u>
Total 2017	<u>30</u>	<u>-</u>	<u>30</u>	

**5. RAISING FUNDS**

	<b>Unrestricted funds 2018 £000</b>	<b>Restricted funds 2018 £000</b>	<b>Total funds 2018 £000</b>	<b>Total funds 2017 £000</b>
Catering costs	8	-	8	9
Voluntary income staff costs	4	-	4	3
	<u>12</u>	<u>-</u>	<u>12</u>	<u>12</u>
Total 2017	<u>12</u>	<u>-</u>	<u>12</u>	



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**6. CHARITABLE ACTIVITIES**

	<b>Total funds 2018 £000</b>	Total funds 2017 £000
<b>DIRECT COSTS</b>		
Wages and salaries	409	395
National insurance	35	32
Pension cost	98	93
Depreciation	45	44
Educational supplies	11	11
Staff development	7	7
Other direct costs	15	15
Insurance	6	5
	<b>626</b>	602
<b>SUPPORT COSTS</b>		
Wages and salaries	65	67
National insurance	4	4
Pension cost	15	14
Pension finance cost (note 12)	8	8
Travel and subsistence	-	3
Maintenance of premises and equipment	133	19
Cleaning	3	10
Rent and rates	4	6
Energy costs	8	9
Insurance	5	6
Catering	24	24
Legal and professional	13	15
Other support costs	54	50
Governance costs	7	7
	<b>343</b>	242
	<b>969</b>	844

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**7. EXPENDITURE**

	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total</b>	<b>Total</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Expenditure on raising voluntary income	4	-	8	12	12
Activities:					
Direct costs	559	36	31	626	602
Support costs	76	173	94	343	242
	<u>639</u>	<u>209</u>	<u>133</u>	<u>981</u>	<u>856</u>
Total 2017	<u>617</u>	<u>3</u>	<u>236</u>	<u>856</u>	

In 2017, of the total expenditure on charitable educational activities of £856,000, £13,000 was from unrestricted funds and £843,000 from restricted funds.

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets:		
- owned by the charity	45	44
Auditors' remuneration - audit services	7	6
Auditors' remuneration - non-audit services	1	1
Internal audit costs	1	1
Operating lease rentals	3	2
	<u>57</u>	<u>54</u>

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**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	<b>2018</b>	2017
	<b>£000</b>	£000
Wages and salaries	467	465
Social security costs	39	37
Pension costs	113	107
	<b>619</b>	609
Agency staff costs	12	-
Pension finance cost (note 12)	8	8
	<b>639</b>	617

**b. Staff numbers**

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

	<b>2018</b>	2017
	<b>No.</b>	No.
Teaching	7	7
Administration and support	15	20
Management	3	3
	<b>25</b>	30
	<b>25</b>	30

Average headcount expressed as a full time equivalent:

	<b>2018</b>	2017
	<b>No.</b>	No.
Teaching	7	6
Administration and support	8	9
Management	3	3
	<b>18</b>	18
	<b>18</b>	18

During the year no employees benefits (excluding employer pension costs and employers national insurance) exceeded £60,000 (2017 - 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 £159,767 (2017 - £161,442).

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**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:

		<b>2018</b>	2017
		<b>£000</b>	£000
R Cumberlidge	Remuneration	<b>55-60</b>	55-60
	Pension contributions paid	<b>5-10</b>	5-10
J Matthews	Remuneration	<b>45-50</b>	45-50
	Pension contributions paid	<b>5-10</b>	5-10
S Milne	Remuneration	<b>0-5</b>	0-5
E Oliver	Remuneration	<b>5-10</b>	20-25
	Pension contributions paid	<b>0-5</b>	0-5

During the year, no Trustee received reimbursement of expenses of £nil (2017 - 1 Trustee, £105).

**11. 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 2018 was £151 (2017 - £227). The cost of this insurance is included in the total insurance cost.

**12. PENSION FINANCE COST**

	<b>2018</b>	2017
	<b>£000</b>	£000
Interest income on pension scheme assets	<b>10</b>	7
Interest on pension scheme liabilities	<b>(18)</b>	(15)
	<b>(8)</b>	(8)

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**13. TANGIBLE FIXED ASSETS**

	Long leasehold property £000	Property improvements £000	Furniture and fixtures £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 September 2017	1,314	114	35	44	1,507
Additions	-	-	-	2	2
Disposals	-	-	-	(1)	(1)
At 31 August 2018	<u>1,314</u>	<u>114</u>	<u>35</u>	<u>45</u>	<u>1,508</u>
<b>Depreciation</b>					
At 1 September 2017	92	24	4	31	151
Charge for the year	22	11	4	8	45
On disposals	-	-	-	(1)	(1)
At 31 August 2018	<u>114</u>	<u>35</u>	<u>8</u>	<u>38</u>	<u>195</u>
<b>Net book value</b>					
At 31 August 2018	<u>1,200</u>	<u>79</u>	<u>27</u>	<u>7</u>	<u>1,313</u>
At 31 August 2017	<u>1,222</u>	<u>90</u>	<u>31</u>	<u>13</u>	<u>1,356</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 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 holds a 125 year lease with no rent payable.

**14. DEBTORS**

	2018 £000	2017 £000
Trade debtors	1	1
VAT recoverable	17	5
Prepayments and accrued income	34	22
	<u>52</u>	<u>28</u>

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**15. CREDITORS: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	24	-
Taxation and social security	11	9
Other creditors	11	10
Accruals and deferred income	50	36
	<b>96</b>	<b>55</b>
	<b>96</b>	<b>55</b>
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Deferred income</b>		
Deferred income at 1 September 2017	18	17
Resources deferred during the year	18	18
Amounts released from previous years	(18)	(17)
	<b>18</b>	<b>18</b>
Deferred income at 31 August 2018	<b>18</b>	<b>18</b>

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

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**16. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
Unrestricted funds	111	31	(12)	(1)	-	129
<b>Restricted funds</b>						
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)
<b>Restricted fixed asset funds</b>						
Net book value of assets	1,356	-	(45)	2	-	1,313
Devolved Formula Capital	-	2	-	(2)	-	-
	1,356	2	(45)	-	-	1,313
Total restricted funds	1,071	888	(969)	1	85	1,076
Total of funds	1,182	919	(981)	-	85	1,205

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.

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.

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

**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.

**Capital grants**

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.

**Other Government 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.



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**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2017 £000
<b>Unrestricted funds</b>						
Unrestricted funds	93	31	(13)	-	-	111
<b>Restricted funds</b>						
General Annual Grant (GAG)	4	675	(653)	(16)	-	10
Other ESFA/DfE grants	-	36	(36)	-	-	-
Pupil Premium	-	33	(33)	-	-	-
Local Authority grants	-	20	(20)	-	-	-
Devolved Formula Capital	6	-	-	(6)	-	-
Other income	-	26	(26)	-	-	-
Pension reserve	(346)	-	(31)	-	82	(295)
	(336)	790	(799)	(22)	82	(285)
<b>Restricted fixed asset funds</b>						
Net book value of assets	1,366	-	(44)	34	-	1,356
Condition Improvement Funding	1	-	-	(1)	-	-
Capital grants	-	6	-	(6)	-	-
PTA donation	-	5	-	(5)	-	-
	1,367	11	(44)	22	-	1,356
Total restricted funds	1,031	801	(843)	-	82	1,071
Total of funds	1,124	832	(856)	-	82	1,182

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**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
Unrestricted funds	93	62	(25)	(1)	-	129
<b>Restricted funds</b>						
General Annual Grant (GAG)	4	1,341	(1,330)	(15)	-	-
Other ESFA/DfE grants	-	80	(71)	-	-	9
Pupil Premium	-	61	(61)	-	-	-
Capital grants	-	95	(95)	-	-	-
Local Authority grants	-	39	(39)	-	-	-
Devolved Formula Capital	6	4	(4)	(6)	-	-
Other income	-	56	(56)	-	-	-
Pension liability	(346)	-	(67)	-	167	(246)
	(336)	1,676	(1,723)	(21)	167	(237)
<b>Restricted fixed asset funds</b>						
Net book value of assets	1,366	-	(89)	36	-	1,313
Condition Improvement Funding	1	-	-	(1)	-	-
Capital grants	-	8	-	(8)	-	-
PTA donation	-	5	-	(5)	-	-
	1,367	13	(89)	22	-	1,313
	1,031	1,689	(1,812)	1	167	1,076
<b>Total of funds</b>	<b>1,124</b>	<b>1,751</b>	<b>(1,837)</b>	<b>-</b>	<b>167</b>	<b>1,205</b>

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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	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
	129	(237)	1,313	1,205

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	1,356	1,356
Current assets	111	65	-	176
Creditors due within one year	-	(55)	-	(55)
Pension reserve	-	(295)	-	(295)
	111	(285)	1,356	1,182
	111	(285)	1,356	1,182

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

	2018 £000	2017 £000
Net expenditure	(62)	(24)
<b>Adjustment for:</b>		
Depreciation charges	45	45
Increase in debtors	(24)	(8)
Increase/(decrease) in creditors	41	(9)
Capital grants from DfE and other capital income	(101)	(6)
Defined benefit pension scheme cost less contributions payable	28	23
Defined benefit pension scheme finance cost (note 12)	8	8
<b>Net cash (used in)/provided by operating activities</b>	<b>(65)</b>	<b>29</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2018</b>	2017
	<b>£000</b>	£000
Cash in hand	<b>182</b>	148
Total	<b>182</b>	148

**20. 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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £10,463 were payable to the schemes at 31 August 2018 (2017 - £9,963) 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and

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**20. PENSION COMMITMENTS (continued)**

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £52,523 (2017 - £50,304).

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](http://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 an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £40,000 (2017 - £42,000), of which employer's contributions totalled £32,000 (2017 - £33,000) and employees' contributions totalled £8,000 (2017 - £9,000). The agreed contribution rates for future years are 23.8% 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.

Principal actuarial assumptions:

	<b>2018</b>	2017
Discount rate for scheme liabilities	<b>2.80 %</b>	2.50 %
Rate of increase in salaries	<b>3.30 %</b>	3.40 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.40 %
Commutation of pensions to lump sums	<b>50.00 %</b>	50.00 %

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

	<b>2018</b>	2017
Retiring today		
Males	<b>22.1</b>	22.1
Females	<b>24.3</b>	24.3
Retiring in 20 years		
Males	<b>23.8</b>	23.8
Females	<b>26.2</b>	26.2

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**20. PENSION COMMITMENTS (continued)**

<b>Sensitivity analysis</b>	<b>At 31 August 2018 £000</b>	<b>At 31 August 2017 £000</b>
Discount rate +0.1%	(19)	(18)
Discount rate -0.1%	19	18
Mortality assumption - 1 year increase	27	27
Mortality assumption - 1 year decrease	(27)	(27)
CPI rate +0.1%	15	14
CPI rate -0.1%	(15)	(14)

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

	<b>Fair value at 31 August 2018 £000</b>	<b>Fair value at 31 August 2017 £000</b>
Equities	273	263
Debt instruments	119	78
Property	40	31
Cash	9	20
<b>Total market value of assets</b>	<b>441</b>	<b>392</b>

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

	<b>2018 £000</b>	<b>2017 £000</b>
Current service cost	(60)	(56)
Interest income	10	7
Interest cost	(18)	(15)
<b>Total</b>	<b>(68)</b>	<b>(64)</b>
<b>Actual return on scheme assets</b>	<b>19</b>	<b>31</b>

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(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. PENSION COMMITMENTS (continued)**

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

	<b>2018</b>	2017
	<b>£000</b>	£000
Opening defined benefit obligation	<b>687</b>	673
Current service cost	<b>60</b>	56
Interest cost	<b>18</b>	15
Employee contributions	<b>8</b>	9
Actuarial gains	<b>(76)</b>	(58)
Benefits paid	<b>(10)</b>	(8)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>687</b>	687
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2018</b>	2017
	<b>£000</b>	£000
Opening fair value of scheme assets	<b>392</b>	327
Interest income	<b>10</b>	7
Actuarial losses	<b>9</b>	24
Employer contributions	<b>32</b>	33
Employee contributions	<b>8</b>	9
Benefits paid	<b>(10)</b>	(8)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>441</b>	392
	<hr/> <hr/>	<hr/> <hr/>

**21. OPERATING LEASE COMMITMENTS**

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

	<b>2018</b>	2017
	<b>£000</b>	£000
<b>Amounts payable:</b>		
Within 1 year	<b>1</b>	3
Between 1 and 5 years	<b>3</b>	4
	<hr/>	<hr/>
Total	<b>4</b>	7
	<hr/> <hr/>	<hr/> <hr/>

During the year, a total of £2,901 (2017 - £2,175) was spent on Operating Lease commitments.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. 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 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 Community Association, a group in which D Pateman, a Trustee who resigned in the year, is a member. Transactions totalling £9,439 (2017 - £6,249), relating to the rental of the Academy Trust's premises took place during the year. A balance of £Nil (2017 - £Nil) was outstanding at 31 August 2018.

Huncote Summer Club, a group in which V Swain, a Trustee, is a member. Transactions totalling £Nil (2017 - £300), relating to the rental of the Academy Trust's premises took place during the year. A balance of £Nil (2017 - £300) was outstanding at 31 August 2018.

Huncote Mums & Tots Group, a group in which R Sansome, a Trustee, is a member. Transactions totalling £Nil (2017 - £258), relating to the rental of the Academy Trust's premises took place during the year. A balance of £Nil (2017 - £Nil) was outstanding at 31 August 2018.

No other related party transactions took place in the period of account other than certain Trustees' remuneration and expenses as disclosed in note 10.

**23. CONTROLLING PARTY**

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

**24. COMPANY LIMITED BY GUARANTEE**

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

**25. 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.