

Registration number: 08682547

# Humber Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Forrester Boyd Robson Limited  
Kingfisher Court  
Plaxton Bridge Road  
Woodmansey  
Beverley  
HU17 0RT

# Humber Education Trust

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# Humber Education Trust

## Reference and Administrative Details

<b>Members</b>	G Brook L Hider S Spandler (resigned 31 January 2020) D Wrapson (appointed 23 September 2019 and resigned 29 September 2020) J Campbell (appointed 23 September 2019) J Wilson (appointed 23 September 2019 and resigned 28 September 2020) S Des Forges (appointed 23 September 2019) G Gibbons (appointed 29 September 2020)
<b>Chief Executive Officer</b>	R Wilkes
<b>Governors and Trustees (Directors)</b>	G Brook, (i) (Chair) B Stillings (resigned 6 September 2019) P Brown, (ii) G Gibbons, (ii) (resigned 29 September 2020) G Barley, (i) (ii) R Wilkes, (i) (ii) P Stevens, (i) (resigned 31 July 2020) A Jordan, (i) (ii) S Hinchcliffe H Sail (resigned 12 October 2020) K Sainty (appointed 29 September 2020) J Wilson (appointed 29 September 2020) D Wrapson, (i) (appointed 29 September 2020) R Davies (appointed 2 November 2020)

(i) members of the Finance and Resources Committee

(ii) members of the Audit Committee

## Humber Education Trust

### Reference and Administrative Details (continued)

**Central Management Team** R Wilkes, Chief Executive Officer  
N Siddle, Chief Financial Officer  
P Plumridge, Strategic School and Improvement Lead  
S Herrick, HR Specialist  
B Moorcroft (until April 2020), Strategic SEND Lead

**Principal and Registered Office** Bude Park Primary School  
Cookbury Close  
Bransholme  
Hull  
HU7 4EY

**Company Registration Number** 08682547

**Auditors** Forrester Boyd Robson Limited  
Kingfisher Court  
Plaxton Bridge Road  
Woodmansey  
Beverley  
HU17 0RT

**Bankers** Lloyds Bank Plc  
1 Grand Buildings  
Jameson Street  
Hull  
HU1 3JX

**Solicitors** Browne Jacobson PLC  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the year the Trust has grown from 12 to 13 schools. One existing academy school (Cambridge Park Academy) transferred to the Trust on 1 April 2020.

#### **Structure, governance and management**

##### ***Constitution***

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 08682547.

The Governors act as the Trustees for the charitable activities of Humber Education Trust and are also the Directors of the charitable company for the purposes of company law. Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

The Academy Trust operated thirteen academies during the year as follows:

- Adelaide Primary School
- Broadacre Primary School
- Cambridge Park Academy (Special)
- Christopher Pickering Primary School
- Clifton Primary School
- Frederick Holmes School (Special)
- Ganton School (Special)
- Maybury Primary School
- Neasden Primary School
- Parkstone Primary School
- St Nicholas Primary School
- Tweendykes School & Sixth Form (Special)
- Woodland Primary School

##### ***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.

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

The Academy through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Governors. The insurance provides cover up to £2,000,000 on any one claim.

##### ***Method of recruitment and appointment or election of Trustees***

The company's Memorandum and Articles of Association are the primary governing documents of the Academy. The number of members shall be not less than three but, (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The CEO shall be treated for all purposes as being an ex officio Trustee.

The Secretary of State may also appoint additional Governors if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy. The Secretary of State has not appointed any additional Trustees.

The Trustees appointed have been carefully selected to establish a broad, diverse and effective skill set. New Trustees are identified after a skills audit of existing Trustees is conducted to identify areas of weakness. All prospective Trustees go through a rigorous and robust selection process to ensure that the board is constantly self-improving and effective challenge takes place.

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### ***Policies and procedures adopted for the induction and training of Trustees***

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All Trustees are given the opportunity to tour the academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. They are also provided with the Directors' Code of Conduct.

As appointments of new Trustees are infrequent, induction tends to be on an informal basis and is tailored to the needs of the individual. Trustees and Local Governors are all encouraged to attend a wide range of training provided by the Trust and the Governors Team.

#### ***Arrangements for setting pay and remuneration of key management personnel***

The Trust has established a pay committee comprising of Trustees who are not employees of the Trust:

- to make decisions in relation to centrally employed staff pay, in accordance with the agreed Pay Policy.
- to make decisions in relation to Headteachers' pay, based on CEO and LGB recommendations and performance management outcomes.

The Trustees conduct the appraisal and pay progression for the CEO.

The CEO conducts the appraisal of the Central Team staff and the Headteachers of the schools. The Trustees agree pay progression for these staff.

Headteachers conduct the appraisal for teachers in their schools. Local governing bodies have their own pay committees to agree pay progression for teachers.

#### ***Organisational structure***

There are three layers of governance.

##### **Members**

- Members control the strategic direction of the Trust and appoint Trustees.

##### **Trustees**

- Trustees retain accountability and responsibility for the strategic operation of Humber Education Trust and the academies within it.
- Trustees have oversight of the curriculum, standards, progress and outcomes of the Trust and the individual academies.
- Trustees have oversight of the finances and risk management of the Trust and the individual academies.

##### **Local Governing Bodies**

- LGBs guide, support and monitor the work of the academies in school improvement and education.
- LGBs ensure clarity of vision, ethos and strategic direction at each academy.
- LGBs hold Headteachers to account for the educational performance of the academy and its pupils.
- LGBs oversee the financial performance of the academies and ensure that money is well spent.
- LGBs advise the CEO and Trustees as appropriate and necessary.

The day to day management of the Trust is the responsibility of the CEO who has operational responsibility for the leadership and management of the Trust. They are supported in this by the Strategic School and Improvement Lead/Deputy CEO and the Chief Financial Officer. Central services are provided by the central management team including the CEO, HR Specialists, the Strategic School and Improvement Lead/Deputy CEO, Strategic SEND Lead and the Chief Financial Officer.

The Trustees have operated three committees for 2019/20:

- Curriculum & Standards
- Finance & General Purposes
- Audit

Local Governing Bodies are also committees of the Trust and discharge their duties on behalf of the Trustees, working within the remit of an agreed and understood Scheme of Delegation, including Financial Regulations. The Accounting Officer is Mrs R E Wilkes.

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### ***Connected organisations, including related party relationships***

Humber Education Trust works in partnership with a range of organisations to benefit and enhance the provision and support offered to schools within its Trust. The facilities time for the Trade Union Representatives includes NEU, NAHT, NASUWT, Voice, ASCL, Unison, Unite and GMB and is purchased through a pooled budget arrangement. Humber Education Trust is not the employer of the Trade Union Representatives.

Governors and Trustees are drawn from the local and wider community and from time to time it is possible that the Trust will enter into transactions with organisations which a Trustee or Governor may have an interest. All such transactions are reflected in the Trust's Register of Business Interests, published on the Trust website. These are duly considered at all levels of governance to ensure that any such transactions are in line with Academy Financial Handbook regulations.

The Trust had no related party transactions or any other connected charities and organisations for the academic year 2019 – 2020.

The Trust Board and its committees must meet regularly to discharge their responsibilities as per the Articles of Association.

#### ***Engagement with employees (including disabled persons)***

Humber Education Trust follows the principle that all changes affecting staff, children and family involves due process and for staff to feel part of a community that does things with rather than to people. Staff are consulted on a range of matters at both Trust and school level.

Humber Education Trust is committed to the equality of opportunity for all employees, including those with a disability. From recruitment, our application forms highlight the Two Ticks positive. This continues through to training opportunities and in further career development. The Trust adopted the Local Authority model policy on conversion and this has been supplemented by individual school level policies.

#### ***Engagement with suppliers, customers and others in a business relationship with the trust***

The Trust continues to develop its relationships with key suppliers, it has been made difficult by the current crisis but telephone, Zoom, Teams and a limited amount of face to face meetings has made this possible. The Trust maintains a list of contracts in our Every System, with a full list of suppliers in our Financial system. Homeworking has enabled all planned procurement to be fulfilled and contact with suppliers has been managed remotely. This did not negatively impact the process. Communication actually increased with the use of Zoom, Teams etc.

It is important that our business relationships are beneficial to both sides and lines of communication are maintained to maximise the value to the organisation. Time spent with suppliers can help to increase the use of their service whilst ensuring for example purchased software is further developed for the advantage of the Trust.

The local community is a beneficiary of the Trust, please refer to the Public Benefit section of the Trustee Report on page 7 for more details.

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### Objectives and activities

##### *Objects and aims*

The Academy Trust's objects ("the Objects") are specifically restricted to the following:

To advance for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them; or 16 to 19 Academies offering a curriculum appropriate to the needs of its students; or schools specially organised to make special educational provision for pupils with Special Educational Needs.

The principal activity of Humber Education Trust is to provide the highest quality education for all children within our schools, and to influence and support the quality of provision across the City of Hull and our wider regional area. Our ethos is 'Everybody counts and every moment matters'. The Trust strives to ensure that every child receives high quality teaching and learning opportunities. Our schools also lay the foundations of character, citizenship and respect for others to prepare children for life and to encourage social mobility.

##### *Objectives, strategies and activities*

Humber Education Trust was formed to provide the best possible education for Children in Hull and the wider local area. It also intends to provide a local solution to sponsorship so schools in difficulty can access a local sponsor. The Academy Trust also offers school to school support and high quality CPD (Continuing Professional Development) for schools.

Humber Education Trust is committed to:

- Work ethically and with mutual respect and collaboration.
- Provide a caring and safe environment where responsible, tolerant and principled global citizens can grow.
- Develop creative, enquiring and resilient learners with a thirst for knowledge.
- Promote success and celebrate effort.
- Provide a vibrant, challenging and enriching curriculum by encouraging fresh thoughts and outward-looking ideas.
- Ensure that all staff have outstanding continual professional development and feel appreciated and supported.
- Embrace technology, to reflect the changing needs of our world.
- Play our part in this strong community and provide support for all the families within it.
- Recognise the diverse needs of our community, to ensure that children and young people from all backgrounds thrive.
- Drive financial efficiencies, seek best value and save money in order to reinvest in the classroom.

Humber Education Trust's vision is to develop a high performing Multi Academy Trust that delivers the very best educational experience for all children and young people. We will grow, develop, support and improve our schools across the Trust, with a clear focus on raising standards, encouraging innovation and strengthening the ethos of the Trust to ensure that we have a positive impact on all of the children and young people within the Trust.

Humber Education Trust is also recognised by the DfE as an Academy Sponsor. This means that through the Trust, we are held accountable for sponsored schools who may join us, to ensure improvement in outcomes and taking responsibility for their performance and financial arrangements.

Humber Education Trust is supported by a strong Trust Board who provide effective support and the challenge required to ensure that we build on our track record of excellence to provide strategic partnerships to improve quality, share best practice and operate effectively and efficiently. We believe passionately that every penny that comes into a school should be spent on the development and provision of a first class standard of education for all.



## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### **Public benefit**

As an all-inclusive Academy Trust, promoting educational activities and community use of its facilities, the trustees believe this meets the Public Benefit test as required under Charity Law. The main public benefit delivered by the trust is the maintenance and development of a high quality education to all pupils in its care. It is the trustees aim to provide outstanding teaching and learning opportunities in all schools within the Trust.

To this end the Trust currently runs 13 academies serving over 3,000 pupils aged 2-19 and their families.

Through the provision of educational and extra-curricular activities, the Academy Trust aims to contribute considerable benefit to the local community.

The Trust involves the community in a variety of ways:

- Family learning opportunities
- Adult learning opportunities
- Early help and support
- Strong links with partner schools, agencies and the wider community
- Visits and visitors
- A range of out of school events and activities

Perhaps the greatest benefit that the Academy Trust can offer is the provision of an education that maximises each student's potential to develop principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

The Trustees have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission.

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

##### Achievements and performance

##### Ofsted Inspections this year:

No schools had an Ofsted inspection during the academic year 2019 - 2020.

##### Pupil numbers - Census 1st January 2020

School	Number on Roll
Adelaide Primary School	447
Broadacre Primary School	366
Cambridge Park Academy	222
Christopher Pickering Primary School	450
Clifton Primary School	336
Frederick Holmes School	93
Ganton School	171
Maybury Primary School	227
Neasden Primary School	232
Parkstone Primary School	347
St Nicholas Primary School	204
Tweendykes School	159
Woodland Primary School	203

##### Key performance indicators

The Trust uses the following financial KPIs for benchmarking purposes:

Teacher: Pupil Ratio; Teaching costs per pupil; Overall staffing costs per pupil; Total expenditure per pupil

The KPIs are discussed with schools every term to challenge/question forecasting. Trustees received a consolidated benchmarking report produced from the Trust forecasting which is discussed and minuted at each meeting. This is refreshed every term so data is under ongoing review.

We began using the DfE school resource management toolkit in Autumn 2018 which compares each school to similar schools nationally. This is taken by each school to their local governing body for discussion and explanation and updated on an annual basis.

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

	Finance % Year Spend	InFinance % Year Spend	InFinance % Year Spend	In	Teacher ratio	/pupil Staff/ pupil ratio	% Staff cost v income
	2019/2020	2020/2021	2021/2022				
Adelaide Primary	101	100	103		1:19	1:8	76%
Broadacre Primary	98	93	97		1:19	1:10	75%
Christopher Pickering Primary	98	94	98		1:24	1:10	76%
Clifton Primary	101	99	103		1:16	1:7	79%
Maybury Primary	99	102	107		1:18	1:18	76%
Neasden Primary	97	98	107		1:20	1:10	73%
Parkstone Primary	99	100	107		1:22	1:12	76%
St Nicholas Primary	100	97	104		1:23	1:10	77%
Woodland Primary	98	100	105		1:20	1:7	76%
Ganton School	99	100	105		1:7	1:2	80%
Frederick Holmes School	95	97	101		1:7	1:2	76%
Tweendykes School	97	96	100		1:7	1:2	80%

#### Academic performance indicators

Due to the Coronavirus pandemic in this academic year, there was no statutory testing or data collection undertaken at the end of the academic year. This is in line with the local and national picture. There will be no performance tables published for this academic year. As a result, it is not possible to publish outcomes at the end of the key stages for EYFS, Key Stage 1 or Key Stage 2 in the way that we would normally.

The Academy Trust as a whole and all 13 schools individually worked extremely hard throughout the lockdown period to ensure that all vulnerable children and those of key workers were offered a place in school and that high quality home learning was provided for children who were not attending school.

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

##### *Going concern*

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

##### *Promoting the success of the academy*

Humber Education Trust is a successful Trust and we collectively strive to ensure that children in our schools not only leave with the skills and attributes that they need for the next stage in the learning journey, but that they also leave with great memories of their learning with us. All of the schools that have had an Ofsted inspection whilst part of the Trust, have been judged to be good or outstanding providers. The results of our primary schools have ensured we are one of the best performing trusts in the country, including for those pupils who are disadvantaged. We consider one of our greatest strengths to be our moral duty to removing barriers to learning for children from disadvantaged backgrounds. Our ethos, culture and reputation ensure that our schools remain popular and that children and families would recommend Humber Education Trust schools to others. We attract and train the best staff and retention of staff is high. At Humber Education trust we see all children as individuals and have inclusion at the heart of our commitment to our communities. Our special schools ensure that children with severe and complex learning needs receive the support they need.

##### **Financial review**

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2020 total expenditure of £30,834,888 was not covered by the recurrent grant funding from the DfE together with other incoming resources of £28,146,512 (excluding capital grants and transfer of existing academies). The excess of expenditure over income for the period was £2,688,376. If depreciation and FRS 102 pension adjustments were excluded the surplus would be £1,173,306.

At 31 August 2020 the net book value of fixed assets was £60,986,876 and movements in tangible fixed assets are shown in note 12 to the financial statements.

The Academy's associate staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £21,911,000.

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

##### *Reserves policy*

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees consider that the appropriate level of free reserves should be no less than 5% of total revenue income (excluding restricted reserves) which was achieved at the year end.

A breakdown of the funds at 31 August 2020 is as follows:-

	£
Restricted general fund	1,627,245
Restricted fixed asset fund	61,524,043
Restricted pension fund	(21,911,000)
Unrestricted general fund	4,025,607
	<u>45,265,895</u>

##### *Investment policy*

The Trustees agree all investments made by the Academy Trust. The Academy Trust opened a 30 day notice deposit account in December 2019. Future investments are likely to be restricted to deposit and money market accounts in all UK banks. The Academy Trust will seek to hold adequate cash reserves for the day to day running of the Trust in line with the reserves policy.

##### **Principal risks and uncertainties**

The principal risk and uncertainties are centered around changes in the level of funding from the DfE/ESFA. In addition, the Academy is a member of the Local Government Pension (LGPS), which may result in significant movements each year.

##### **Fundraising**

All academies within Humber Education Trust occasionally organise fundraising events such as fairs, fetes, cake sales and other activities. Humber Education Trust Academy Trust does not use professional fundraisers or involve commercial participators in our fundraising practices. There have been no complaints about fundraising activity this year.

All academies within the Trust comply with the Charities Commission guidance on fundraising. Marketing of fundraising activities is generally through school channels such as texts/letters to parents/carers or notices on the school noticeboard.

##### **Streamlined Energy and Carbon Reporting**

###### **UK energy use and associated greenhouse gas emissions**

The Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

###### **Organisational boundary**

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes all 13 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

###### **Reporting period**

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

##### UK Greenhouse gas emissions and energy use data for the period 01 September 2019 to 31 August 2020

	<b>2020</b>
Energy consumption used to calculate emissions (kWh)	5,451,271
<b>Energy consumption break down (kWh)</b>	
Gas	3,501,304
Electricity	1,826,131
Transport fuel	61,087
Biomass	62,749
<b>Scope 1 emissions in metric tonnes CO2e</b>	
Trust owned vehicles - mini-buses	9.80
Gas consumption	643.80
Biomass (N <sub>2</sub> O & CH <sub>4</sub> only emissions)	1.00
Total scope 1	654.60
<b>Scope 2 emissions in metric tonnes CO2e</b>	
Purchased electricity (location-based)	425.70
<b>Scope 3 emissions in metric tonnes CO2e</b>	
Transport - Business travel in employee owned vehicles	5.50
<b>Total gross emissions in metric tonnes CO2e</b>	<b>1085.80</b>
<b>Intensity ratio</b>	
Tonnes CO2e per pupil	<b>0.31</b>
Tonnes CO2e per square meter floor area	<b>0.03</b>

#### Quantification and Reporting Methodology:

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas and biomass consumption was compiled from invoice records. Small gaps in the data (over 1 or 2 months) were estimated using the pro-rata method. At two sites (Ganton School & Tweendykes), energy is shared with another school outside of the Trust, so has been apportioned by floor area. Cambridge Park Academy Special School joined the Trust in April 2020, so energy and emissions have only been included for this school from this date.

Transport energy and emissions were calculated from mileage records for minibuses and mileage claims for grey fleet. Generally gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

##### Intensity measurement

The primary intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2019 Census.

A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

##### Measures taken to improve energy efficiency

Energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. From this date, the schools were open to key worker's children only, with a phased and partial reopening for certain year groups occurring in June.

A further result of health precautions has been the greater implementation of video conferencing for staff meetings, reducing the need for travel to and between sites. The emission saving resulting from these activities has not been quantified, but this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.

Outside of the COVID-19 response, the Trust has improved energy monitoring and management by joining the Zenergi Limited framework this year with the potential to engage with experts who are able to identify further longer-term energy saving opportunities.

The policies of the Academy Trust are structured with the following objectives in mind:

- To enable the Academy Trust to continue as a going concern to achieve the aims and objectives set out in its governing document.
- To promote the Academy Trust's work as an educational establishment within the community it serves and to continue to improve the services it offers.

Further risks are contained within the Trust Risk register and are reviewed at each Audit Committee meeting.

## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

#### Strategic Report

##### *Risk management*

The Trustees have a duty to identify and review the risks to which the charity is exposed. The Trust Risk Matrix is reviewed by the Audit Committee and key strategic risks are reviewed and actions to mitigate each risk are identified and reasonable assurance is discussed. Schools have also undertaken a risk assessment process with any key risks being escalated to the board.

The Trust also continues to review its financial procedures to ensure appropriate controls are in place to provide reasonable assurance against fraud and error with the Humber Education Trust package helping to achieve this. The Trust uses budgeting software (HCSS) to develop longer term planning and forecast of financial risk.

The Trustees believe that the principal risks and uncertainties in connection with providing the educational services the academy trust is able to offer are;

- **Staff retention:** This would lie in the failure to retain key staff, particularly at a senior level, which could undermine the quality of education on offer to pupils. This is mitigated by strategic succession planning at all levels and wide ranging CPD opportunities for all staff.
- **Maintaining and improving pupil numbers:** Not all of our schools are at capacity. Those schools situated in areas of current regeneration or without a catchment area are below capacity at the present time. Potential cash flow concerns for these schools are mitigated by flexible staffing arrangements across the trust and careful monitoring of income and expenditure.
- **Staff recruitment:** Recruitment to the teaching profession has fallen with a reduction in the number of graduates choosing teaching as a career path and Hull as a location. Our trust mitigates this risk by being actively involved in the training of future teachers through SCITT and Graduate Teacher Programmes. Fair staffing policies also ensure that our trust is an 'employer of choice'.
- **Reduction in funding levels:** A reduction in academy funding in real terms is expected alongside increasing cost pressures linked to staffing. We are mitigating this risk by carrying out our budget planning in a prudent manner, tasking a procurement team with identifying cost savings across the organisation and engaging in a range of system leadership to generate income.

The policies of the Academy Trust are structured with the following objectives in mind:

- To enable the Academy Trust to continue as a going concern to achieve the aims and objectives set out in its governing document.
- To promote the Academy Trust's work as an educational establishment within the community it serves and to continue to improve the services it offers.

Further risks are contained within the Trust Risk register and are reviewed at each Audit Committee meeting.

##### **Plans for future periods**

Humber Education Trust is an established Trust as defined by the DfE. Following due diligence, Highlands Primary School, Bude Park Primary School and Kingswood Park Primary School joined the trust on 1st September 2020. The trust has also been successful in the application for a Special Free School to open in 2023. Work will continue across 2020/21 on development of this project.



## Humber Education Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)


#### Strategic Report

##### Auditor

Insofar 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 members of the board of trustees on 9 December 2020 and signed on its behalf by:



G Brook  
Governor and trustee

## Humber Education Trust

### Governance Statement

#### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Humber Education 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 R Wilkes, 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 Humber Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Barley, (i) (ii)	3	3
G Brook, (i) (Chair)	3	3
P Brown, (ii)	3	3
G Gibbons, (ii) (resigned 29 September 2020)	0	3
A Jordan, (i) (ii)	2	3
P Stevens, (i) (resigned 31 July 2020)	0	3
R Wilkes	3	3
H Sail (resigned 12 October 2020)	3	3
S Hinchcliffe	1	3
B Stillings (resigned 6 September 2019)	0	0

#### Effective oversight of funds

Management accounts are produced monthly and accessible by a secure shared Trustee upload area. This includes a consolidated I&E account, consolidated Budget v Actuals report, Balance Sheet and Cash Flows. Also presented is the central services cash flow. All termly Trustee reporting is also uploaded as well as BFRO & BFR return summaries. Trust level tendering documentation is also available for viewing on the shared area. From 2020 a Cashbook account detail report will be uploaded which will account for every school bank balance at each month end. For 2020 the trust has upgraded to a centralised SAGE database which will provide consolidated reporting at nominal level which will provide trustees with a more detailed trust wide Budget v Actual position. Reports are being developed to enhance this even further and allow trustees to benchmark actual spending across all trust schools in one place.

In addition to our Board meetings the Trust has termly Finance Committee meetings and termly Audit Committee meetings. Financial reports are presented at Finance Committee meetings as well as the Trust Board meetings. This can be evidenced in the minutes.

When required, financial information is present to the Audit Committee as well. The risk register is presented here as well as all other compliance.

## Humber Education Trust

### Governance Statement (continued)

The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to monitor closely the financial performance of the Academy Trust and to review all policies and practices relating to these areas.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
G Barley	3	3
G Brook	3	3
P Stevens	0	3
R Wilkes	3	3
A Jordan	0	3

The Audit Committee is a sub-committee of the main board of trustees. Its purpose is to assess internal review and external audit reports and reports to the Board of Trustees. Its remit covers Health and Safety, Safeguarding and Risk Management, including financial risk where applicable. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
P Brown	3	3
G Gibbons	0	3
A Jordan	2	2
R Wilkes	3	3
G Barley	1	1

#### Review of value for money

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

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

The Accounting Officer for the academy trust has delivered improved value for money during the year in the following ways:

**Payroll** - all schools moved to the new payroll provider on 1st April 2020 (Dataplan). The service provided an all-inclusive, clear and fixed pricing. It was the lowest cost overall.

The service provides advanced functionality from an operational perspective, excellent output reporting including sickness absence triggers and Gender Pay full reporting. The trust now has a payroll dashboard so the provision offers increased accessibility at trust level.

**Auditors** - a formal tender was undertaken in Autumn 2019. Ultimately the existing provider was selected based on service and pricing. Cost is brought down by preparation undertaken by the Trust pre-audit.

**Internal Audit provider of 2020/21** - as per the Academies Financial handbook 2020, we have moved internal audit provision from our external auditor to another provider. This has now been agreed by Trustees and schools scheduled in across 2020/21. Costs are in line with the previous provider.

## Humber Education Trust

### Governance Statement (continued)

**SAGE** - New consolidated SAGE software is being installed for 1st Sept 2020. Three providers were compared against each other in 2019. The chosen provider is priced on users rather than pupil numbers which means as centralisation increases the licence costs could reduce. It also meant that current trust schools would see a smooth transition across as the functionality, nominal structure etc. would be consistent with the 19/20 version.

**ICT Strategy provider** - a formal tender process was followed with supplier engagement from 5 providers. The service will provide overall strategy support, 3rd line technical support, MIS support across all our schools and support the trust in the financial planning for a trust wide and school level roadmap. This service is the foundation for our future infrastructure planning. As part of this we have introduced a procurement portal for all schools to ensure best value and to take the ICT procurement workload away from them. The portal ensure frameworks are considered and tendering is achieved consistently. This has been embedded into the trust Financial Regulations.

**ICT Platform implementation and migration of schools** - service were tendered to provide the specialist support required to develop a trust wide IT platform and Implement the migration of all emails addresses, shared so documents, staff files and contacts - funded by the Trust Capacity grant

#### **Energy frameworks**

A tender process for energy frameworks has seen significant savings achieved for all schools.

A 2-year contract has initially been entered into, subject to a review of market rate fluctuation. If prices continue to fall we can secure a third year, with all years of the contract at the reduced rate.

Total savings across all schools including Cambridge Parks is £42,674.30. Cambridge Parks was included as the tender was being agreed during their pre-transfer term into the trust.

The Trust uses budgeting software (HCSS) to develop improved budgeting for the Trust's finances at a school and Trust level. KPIs are benchmarked regularly and consistent reporting has been implemented. The Trust used the DfE school resource management tool in 2019 and used this to inform budget management meetings in schools and Trustee meetings.

The Trust uses compliance management software to oversee all compliance, contract, health & safety and premises activities across the group. This has the potential to develop further with conditions planning, capital project planning and site issue management. This has been centrally procured with a significant MAT discount achieved. This has been further developed in 2019 to include Asset management and Conditions planning initially funded by a Trust Capacity grant. The trust attracted SCA funding in May 2020. The software will assist in prioritising capital works and also transfer low cost issues into the school compliance database for action. The trust can monitor the progress of these issues. As these are costed, they also enable the schools to financially plan their conditions improvements effectively.

The Trust adhered to the PPN 02/20 and 04/20 issued by the Government in relation to payments of suppliers during the Covid-19 pandemic.

Overall, Covid-19 did not impact adversely on the Trust's ability to secure value for money.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Humber Education Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

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

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## Humber Education Trust

### Governance Statement (continued)

#### The risk and control framework

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

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

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

- not to appoint an internal auditor. However the Trustees have appointed A Jordan, a Trustee, to perform internal review work.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of banking controls
- testing of income controls

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

#### Review of effectiveness

As Accounting Officer, R Wilkes, (Chief Executive Officer) 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 reviewer, external auditors and bespoke reports;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 9 December 2020 and signed on its behalf by:



G Brook  
Governor and trustee



R Wilkes  
Accounting officer  
Chief Executive Officer

## Humber Education Trust

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Humber Education 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 all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.



R Wilkes  
Accounting officer

9 December 2020

## Humber Education Trust

### Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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


The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 on 9 December 2020 and signed on its behalf by:



G Brook  
Governor and trustee



R Wilkes  
Chief Executive Officer

## Humber Education Trust

### Independent Auditor's Report on the Financial Statements to the Members of Humber Education Trust

#### Opinion

We have audited the financial statements of Humber Education Trust (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

#### Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



## Humber Education Trust

### Independent Auditor's Report on the Financial Statements to the Members of Humber Education Trust (continued)

#### Opinion on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

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

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

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

#### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 21], the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

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

## Humber Education Trust

### Independent Auditor's Report on the Financial Statements to the Members of Humber Education Trust (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### Use of our report

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



Michael Beckett BA FCA (Senior Statutory Auditor)  
For and on behalf of Forrester Boyd Robson Limited, Statutory Auditor

Kingfisher Court  
Plaxton Bridge Road  
Woodmansey  
Beverley  
HU17 0RT

Date: 15/12/2020

## **Humber Education Trust**

### **Independent Reporting Accountant's Report on Regularity to Humber Education Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 2 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Humber Education Trust during the period 1 September 2019 to 31 August 2020 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 Humber Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Humber Education 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 Humber Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated 30 September 2013 and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. 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 from 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by the Education and Skills Funding Agency issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

#### **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 from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Humber Education Trust**

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

*Forrester Boyd Robson Limited*

Michael Beckett BA FCA

For and on behalf of Forrester Boyd Robson Limited, Chartered Accountants

Kingfisher Court  
Plaxton Bridge Road  
Woodmansey  
Beverley  
HU17 0RT

Date: *15/12/2020*

## Humber Education Trust

### Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	114,591	(2,776,320)	4,278,362	1,616,633
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	27,358,334	-	27,358,334
Other trading activities	4	662,745	-	-	662,745
Investments	5	10,842	-	-	10,842
<b>Total</b>		<b>788,178</b>	<b>24,582,014</b>	<b>4,278,362</b>	<b>29,648,554</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	131,489	29,256,717	1,446,683	30,834,889
Net income/(expenditure)		656,689	(4,674,703)	2,831,679	(1,186,335)
Transfers between funds		(166,529)	91,137	75,392	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	25	-	(2,652,000)	-	(2,652,000)
Net movement in funds/(deficit)		490,160	(7,235,566)	2,907,071	(3,838,335)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2019		3,535,447	(13,048,189)	58,616,971	49,104,229
Total funds/(deficit) carried forward at 31 August 2020		4,025,607	(20,283,755)	61,524,042	45,265,894

## Humber Education Trust

### Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	558,580	(2,417,000)	269,286	(1,589,134)
Transfer from local authority on conversion		125,214	(1,056,000)	9,217,917	8,287,131
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	21,208,371	-	21,208,371
Other trading activities	4	642,237	-	-	642,237
Investments	5	2,661	-	-	2,661
<b>Total</b>		<b>1,328,692</b>	<b>17,735,371</b>	<b>9,487,203</b>	<b>28,551,266</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	187,433	22,099,112	1,322,960	23,609,505
Net income/(expenditure)		1,141,259	(4,363,741)	8,164,243	4,941,761
Transfers between funds		(698,397)	530,295	168,102	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	25	-	(3,577,000)	-	(3,577,000)
Net movement in funds/(deficit)		442,862	(7,410,446)	8,332,345	1,364,761
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2018		3,092,585	(5,637,743)	50,284,626	47,739,468
Total funds/(deficit) carried forward at 31 August 2019		3,535,447	(13,048,189)	58,616,971	49,104,229

**Humber Education Trust**  
**(Registration number: 08682547)**  
**Balance Sheet as at 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	60,986,875	58,506,863
<b>Current assets</b>			
Stocks	13	8,394	4,804
Debtors	14	677,084	622,598
Cash at bank and in hand		<u>7,229,888</u>	<u>5,615,846</u>
		7,915,366	6,243,248
Creditors: Amounts falling due within one year	15	<u>(1,725,347)</u>	<u>(1,585,882)</u>
Net current assets		<u>6,190,019</u>	<u>4,657,366</u>
Total assets less current liabilities		<u>67,176,894</u>	<u>63,164,229</u>
Net assets excluding pension liability		67,176,894	63,164,229
Pension scheme liability	25	<u>(21,911,000)</u>	<u>(14,060,000)</u>
Net assets including pension liability		<u>45,265,894</u>	<u>49,104,229</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		1,627,245	1,011,811
Restricted fixed asset fund		61,524,042	58,616,971
Restricted pension fund		<u>(21,911,000)</u>	<u>(14,060,000)</u>
		41,240,287	45,568,782
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>4,025,607</u>	<u>3,535,447</u>
Total funds		<u>45,265,894</u>	<u>49,104,229</u>

The financial statements on pages 27 to 56 were approved by the Trustees, and authorised for issue on 9 December 2020 and signed on their behalf by:

  
 .....  
 G Brook  
 Governor and trustee

## Humber Education Trust

### Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Net cash inflow from operating activities	19	5,318,979	11,867,591
Cash transferred on conversions to the trust/on existing academies joining the trust		(294,185)	(682,790)
Returns on investments and servicing of finance	20	10,842	2,661
Cash flows from investing activities	20	<u>(3,421,594)</u>	<u>(9,374,097)</u>
Increase in cash in the year	21	<u>1,614,042</u>	<u>1,813,365</u>



## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 1 Accounting policies

The multi academy trust is a private company limited by guarantee incorporated in England and Wales and the company registration number is 08682547.

The address of its registered office is:  
Bude Park Primary School  
Cookbury Close  
Bransholme  
Hull  
HU7 4EY

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

#### Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Humber Education Trust meets the definition of a public benefit entity under FRS 102.

#### Going concern

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

#### Income

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

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### **Grants**

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

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

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

##### **Sponsorship income**

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

##### **Donations**

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

##### **Other income**

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

##### **Donated services and gifts in kind**

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

##### **Transfer of existing academies into the trust**

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

##### **Donated fixed assets**

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

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 1 Accounting policies (continued)

#### 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.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### Redundancy/termination payments

The redundancy/termination payments are recognised in the accounts when they are incurred. The redundancy/termination payments have been disclosed separately in the staff costs note within the notes to the accounts.

#### Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

#### Asset class

Leasehold Land  
Leasehold buildings  
Improvements to leasehold land and buildings  
Furniture & equipment  
IT equipment  
Motor vehicles

#### Depreciation method and rate

Straight line over 90-125 years  
Straight line over 50 years  
Straight line over 10-25 years  
Straight line over 3-5 years  
Straight line over 3-5 years  
Straight line over 5 years

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### Liabilities

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

##### Provisions

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

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

##### Private finance initiative

The Tweendykes school building was built under a private finance initiative ("PFI") agreement by Kingston Upon Hull City Council.

When Tweendykes school converted to an academy the agreement was legally amended to take account of the change in circumstances. For the length of the agreement Kingston Upon Hull City Council undertake to fund the payments under the PFI agreement. The proportion of the cost that relates to the operation and maintenance of the building is charged to Tweendykes School by Kingston Upon Hull City Council on a monthly basis, and is re-calculated annually.

The expenditure incurred is included in the Statement of Financial Activities under 'Academy trust educational operations'.

The private finance liability remains with Kingston Upon Hull City Council and, therefore, the governors have decided to treat the payments to Kingston Upon Hull City Council as if they were made under an operating lease agreement.

##### Leased assets

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

##### Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

##### 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. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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 instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### 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.

##### Pension benefits

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

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

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

##### Fund accounting

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

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

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

##### Critical accounting estimates and areas of judgement

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

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
<b>Other voluntary income</b>					
Educational trips and visits	50,834	-	-	50,834	38,362
Capital grants	-	-	505,101	505,101	227,676
Transfer in of existing academies	-	(2,776,320)	3,773,261	996,941	(1,971,587)
Other donations	63,757	-	-	63,757	116,415
	<u>114,591</u>	<u>(2,776,320)</u>	<u>4,278,362</u>	<u>1,616,633</u>	<u>(1,589,134)</u>

The income from donations and capital grants was £1,616,633 (2019: (£1,589,134)) of which £114,591 was unrestricted (2019: £558,580), (£2,776,320) restricted (2019: (£2,417,000)) and £4,278,362 restricted fixed assets (2019: £269,286).

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £	2019/20 Total £	2018/19 Total £
<b>DfE/ESFA revenue grants</b>			
General Annual Grant	15,837,452	15,837,452	13,626,812
Pupil Premium	1,563,295	1,563,295	1,461,903
Other ESFA Grants	454,465	454,465	327,688
Teacher Pay and Pension Grants	522,400	522,400	91,678
Universal Infant Free School Meals	346,798	346,798	355,212
Start up Grants	-	-	25,000
MDIF Grant	-	-	122,000
	<u>18,724,410</u>	<u>18,724,410</u>	<u>16,010,293</u>
<b>Other government grants</b>			
Local Authority Funding	8,310,017	8,310,017	5,189,000
Other Government Grants	13,317	13,317	9,078
Teacher Pay and Pension Grants (from LA)	299,889	299,889	-
	<u>8,623,223</u>	<u>8,623,223</u>	<u>5,198,078</u>
<b>Exceptional government funding</b>			
Coronavirus exceptional support	10,701	10,701	-
	<u>10,701</u>	<u>10,701</u>	<u>-</u>
<b>Total grants</b>	<u>27,358,334</u>	<u>27,358,334</u>	<u>21,208,371</u>

The funding for educational operations was £27,358,334 (2019: £21,208,371) of which £Nil was unrestricted (2019: £Nil), £27,358,334 restricted (2019: £21,208,371) and £Nil restricted fixed assets (2019: £Nil).

#### 4 Other trading activities

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	54,074	54,074	72,299
Catering income	40,087	40,087	26,901
Recharges and reimbursements	136,210	136,210	156,992
Other income	432,374	432,374	386,045
	<u>662,745</u>	<u>662,745</u>	<u>642,237</u>

The income from other trading activities was £662,745 (2019: £642,237) of which £662,745 was unrestricted (2019: £642,237), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Bank Interest Received	6,291	6,291	2,661
Investment Income	4,551	4,551	-
	10,842	10,842	2,661

The income from investments was £10,842 (2019: £2,661) of which £10,842 was unrestricted (2019: £2,661), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

#### 6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2020 £	Total 2019 £
<b>Academy's educational operations</b>					
Direct costs	19,679,392	1,245,856	997,527	21,922,775	16,993,887
Allocated support costs	4,761,612	1,692,943	2,457,559	8,912,114	6,615,618
	24,441,004	2,938,799	3,455,086	30,834,889	23,609,505
	24,441,004	2,938,799	3,455,086	30,834,889	23,609,505

Net incoming/outgoing resources for the year include:

	2020 £	2019 £
<b>Operating leases:</b>		
Operating leases - other leases	124,095	58,522
Fees payable to auditor - audit	22,750	28,750
- other audit services	3,825	5,250
Depreciation	1,446,682	1,322,960

#### 7 Charitable activities

	2019/20 £	2018/19 £
Direct costs - educational operations	21,922,775	16,993,887
Support costs - educational operations	8,912,114	6,615,618
	30,834,889	23,609,505



## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 7 Charitable activities (continued)

	Educational operations £	2019/20 Total £	2018/19 Total £
<b>Analysis of support costs</b>			
Support staff costs	4,761,612	4,761,612	3,108,531
Depreciation	200,827	200,827	124,743
Technology costs	478,616	478,616	310,945
Premises costs	1,492,116	1,492,116	1,371,303
Other support costs	1,943,432	1,943,432	1,664,110
Governance costs	35,511	35,511	35,986
<b>Total support costs</b>	<b>8,912,114</b>	<b>8,912,114</b>	<b>6,615,618</b>

#### 8 Staff

##### Staff costs

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	17,142,676	13,267,720
Social security costs	1,468,652	1,166,616
Pension costs	5,744,008	3,424,749
Supply teacher costs	69,400	84,865
Staff restructuring costs	16,268	45,870
	<b>24,441,004</b>	<b>17,989,820</b>
	<b>2020 £</b>	<b>2019 £</b>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	10,268	14,606
Severance payments	6,000	31,264
	<b>16,268</b>	<b>45,870</b>

##### Non statutory/non-contractual staff severance payments

Included in wages and salaries are non-statutory/non-contractual severance payments totalling £6,000 (2019: £31,264). Individually, the payments were: £6,000.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 8 Staff (continued)

##### Staff numbers

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

	2018 No	2017 No
<b>Charitable Activities</b>		
Management	4	4
Teachers	253	208
Administration and support	758	628
	<u>1,015</u>	<u>840</u>

##### Higher paid staff

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

	2020 No	2019 No
£60,001 - £70,000	8	6
£70,001 - £80,000	2	2
£80,001 - £90,000	3	2
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-

##### Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the central management team as listed on page 2. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £431,124 (2019: £384,013).

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 9 Central services

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

- Provision of the services of a Chief Financial Officer and Chief Executive Officer
- School Improvement
- Human Resources
- Audit, pension and legal services
- Provision of a Compliance Management System
- Provision of finance and budgeting system

The academy trust charges for these services on the following basis:

- 6% of AWPU (Age Weighted Pupil Unit) for all Academies

The actual amounts charged during the year were as follows:

	<b>2020</b>
	<b>£</b>
Adelaide Primary School	63,710
Broadacre Primary School	55,270
Cambridge Park Academy	33,000
Christopher Pickering Primary School	69,005
Clifton Primary School	46,831
Frederick Holmes School	24,900
Ganton School	53,400
Maybury Primary School	35,247
Neasden Primary School	37,729
Parkstone Primary School	57,256
St Nicholas Primary School	31,772
Tweedykes School	44,700
Woodland Primary School	29,124
	<u>581,944</u>

#### 10 Related party transactions - trustees' remuneration and expenses

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

R Wilkes (Chief Executive Officer):

Remuneration: £110,000 - £115,000 (2019 - £100,000 - £105,000)

Employer's pension contributions: £25,000 - £30,000 (2019 - £15,000 - £20,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £308 (2019 - £113) were reimbursed or paid directly to 1 trustee (2019 - 1).

Other related party transactions involving the trustees are set out in note 26.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 11 Trustees' and officers' insurance

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

#### 12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Improvements to leasehold land and buildings £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 September 2019	59,942,856	300,547	243,518	346,033	59,583	60,892,537
Additions	-	42,771	52,114	66,115	-	161,000
Inherited assets	<u>3,562,258</u>	<u>192,821</u>	<u>10,616</u>	<u>-</u>	<u>-</u>	<u>3,765,695</u>
At 31 August 2020	<u>63,505,114</u>	<u>536,139</u>	<u>306,248</u>	<u>412,148</u>	<u>59,583</u>	<u>64,819,232</u>
<b>Depreciation</b>						
At 1 September 2019	2,166,371	85,886	86,062	29,555	17,800	2,385,674
Charge for the year	<u>1,224,864</u>	<u>96,905</u>	<u>89,522</u>	<u>20,992</u>	<u>14,400</u>	<u>1,446,683</u>
At 31 August 2020	<u>3,391,235</u>	<u>182,791</u>	<u>175,584</u>	<u>50,547</u>	<u>32,200</u>	<u>3,832,357</u>
<b>Net book value</b>						
At 31 August 2020	<u>60,113,879</u>	<u>353,348</u>	<u>130,664</u>	<u>361,601</u>	<u>27,383</u>	<u>60,986,875</u>
At 31 August 2019	<u>57,776,485</u>	<u>214,661</u>	<u>157,456</u>	<u>316,478</u>	<u>41,783</u>	<u>58,506,863</u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 12 Tangible fixed assets (continued)

Included within leasehold land and buildings is £60,113,879 (2019: £57,776,485) relating to long leasehold land and buildings.

The leasehold land and buildings at Adelaide Primary School was donated to the trust at a value of £5,681,549 in the period end 31 August 2018 per a valuation in January 2018 by NPS Humber Limited.

The leasehold land and buildings at Broadacre Primary School was donated to the trust at a value of £3,689,768 in the period end 31 August 2018 per a valuation in April 2018 by NPS Humber Limited.

The leasehold land and buildings at Cambridge Park Academy was transferred to the trust at a value of £3,562,259 in the period end 31 August 2020 per depreciated cost recognised in the period ended 31 March 2020 Financial Statements for Cambridge Park Academy.

The leasehold land and buildings at Christopher Pickering Primary School was transferred to the trust at a value of £7,952,283 in the period end 31 August 2018 per depreciated cost recognised in the period ended 31 August 2017 Financial Statements for Christopher Pickering Primary School.

The leasehold land and buildings at Clifton Primary School was donated to the trust at a value of £4,451,817 in the period end 31 August 2018 per a valuation in November 2017 by NPS Humber Limited.

The leasehold land and buildings at Frederick Holmes School was donated to the trust at a value of £9,173,917 in the period end 31 August 2019 per a valuation in September 2018 by NPS Humber Limited.

The leasehold land and buildings at Ganton School was transferred to the trust at a value of £11,027,792 in the period end 31 August 2018 per depreciated cost recognised in the period ended 31 August 2017 Financial Statements for Ganton School.

The leasehold land and buildings at Maybury Primary School was donated to the trust at a value of £3,537,050 in the period ended 31 August 2014 per a valuation in October 2014 by NPS Humber Limited.

The leasehold land and buildings at Neasden Primary School was transferred to the trust at a value of £4,430,303 in the period end 31 August 2018 per depreciated cost recognised in the period ended 31 August 2017 Financial Statements for Neasden Primary School.

The leasehold land and buildings at Parkstone Primary School was donated to the trust at a value of £4,082,972 in the period end 31 August 2018 per a valuation in January 2018 by NPS Humber Limited.

The leasehold land and buildings at St Nicholas Primary School was transferred to the trust at a value of £1,938,411 in the period end 31 August 2018 per depreciated cost recognised in the period ended 31 August 2017 Financial Statements for St Nicholas Primary School.

The leasehold land and buildings at Woodland Primary School was donated to the trust at a value of £3,976,994 in the period end 31 August 2018 per a valuation in January 2018 by NPS Humber Limited.

There are formal leases in place with the local authority for 125 years for the land and buildings at £nil rental. As the academies hold the risks and rewards of the buildings, the assets have been included on the basis of substance over legal form.

#### 13 Stock

	2020	2019
	£	£
Clothing	<u>8,394</u>	<u>4,804</u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 14 Debtors

	2020	2019
	£	£
Trade debtors	108,032	19,733
Prepayments	129,389	189,905
Accrued grant and other income	314,049	267,327
VAT recoverable	125,614	145,633
	677,084	622,598

#### 15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	473,922	532,602
Other taxation and social security	348,089	262,636
Other creditors	4,835	4,204
Pension scheme creditor	432,037	267,365
Accruals	250,505	265,567
Deferred income	215,959	253,508
	1,725,347	1,585,882

	2020	2019
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2019	253,508	402,538
Resources deferred in the period	215,959	253,508
Amounts released from previous periods	(253,508)	(402,538)
Deferred income at 31 August 2020	215,959	253,508

Deferred income as at 31 August 2020 represents; Universal Infant Free School Meal income for the period September 2020 to March 2021, rates relief for the same period and trip income relating to trips taken post year end.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 16 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant	1,011,811	15,837,452	(15,235,190)	13,172	1,627,245
Pupil premium	-	1,563,295	(1,563,295)	-	-
Local authority funding	-	8,609,906	(8,609,906)	-	-
UIFSM	-	346,798	(346,798)	-	-
Other ESFA grants	-	454,465	(532,430)	77,965	-
Teacher pay and pension grants	-	522,400	(522,400)	-	-
Coronavirus exceptional support	-	10,701	(10,701)	-	-
Other Government grants	-	13,317	(13,317)	-	-
Transfer of Restricted General Funds from existing academies into the Trust	-	7,680	(7,680)	-	-
	<u>1,011,811</u>	<u>27,366,014</u>	<u>(26,841,717)</u>	<u>91,137</u>	<u>1,627,245</u>
<b>Restricted fixed asset funds</b>					
Capital grants and expenditure from GAG	542,605	505,101	(120,493)	90,490	1,017,703
Donated Assets from Local Authority	33,515,999	-	(681,698)	-	32,834,301
Transfer of assets and unspent capital grants from existing academies into the Trust	<u>24,558,367</u>	<u>3,773,261</u>	<u>(644,492)</u>	<u>(15,098)</u>	<u>27,672,038</u>
	58,616,971	4,278,362	(1,446,683)	75,392	61,524,042
<b>Restricted pension funds</b>					
Pension Scheme Liability	<u>(14,060,000)</u>	<u>(2,784,000)</u>	<u>(2,415,000)</u>	<u>(2,652,000)</u>	<u>(21,911,000)</u>
Total restricted funds	45,568,782	28,860,376	(30,703,400)	(2,485,471)	41,240,287
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>3,535,447</u>	<u>788,178</u>	<u>(131,489)</u>	<u>(166,529)</u>	<u>4,025,607</u>
Total funds	<u><u>49,104,229</u></u>	<u><u>29,648,554</u></u>	<u><u>(30,834,889)</u></u>	<u><u>(2,652,000)</u></u>	<u><u>45,265,894</u></u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 16 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant	165,257	13,626,812	(13,310,553)	530,295	1,011,811
Pupil premium	-	1,461,903	(1,461,903)	-	-
Local authority funding	-	5,189,000	(5,189,000)	-	-
UIFSM	-	355,212	(355,212)	-	-
Other ESFA grants	-	541,366	(541,366)	-	-
Start up grants	-	25,000	(25,000)	-	-
Other Government grants	-	9,078	(9,078)	-	-
	<u>165,257</u>	<u>21,208,371</u>	<u>(20,892,112)</u>	<u>530,295</u>	<u>1,011,811</u>
<b>Restricted fixed asset funds</b>					
Capital grants and expenditure from GAG	221,365	227,676	(74,538)	168,102	542,605
Donated Assets from Local Authority	24,979,782	9,217,917	(681,700)	-	33,515,999
Transfer of assets and unspent capital grants from existing academies into the Trust	<u>25,083,479</u>	<u>41,610</u>	<u>(566,722)</u>	<u>-</u>	<u>24,558,367</u>
	50,284,626	9,487,203	(1,322,960)	168,102	58,616,971
<b>Restricted pension funds</b>					
Pension Scheme Liability	<u>(5,803,000)</u>	<u>(3,473,000)</u>	<u>(1,207,000)</u>	<u>(3,577,000)</u>	<u>(14,060,000)</u>
Total restricted funds	44,646,883	27,222,574	(23,422,072)	(2,878,603)	45,568,782
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>3,092,585</u>	<u>1,328,692</u>	<u>(187,433)</u>	<u>(698,397)</u>	<u>3,535,447</u>
Total funds	<u>47,739,468</u>	<u>28,551,266</u>	<u>(23,609,505)</u>	<u>(3,577,000)</u>	<u>49,104,229</u>



## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 16 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Local Authority Statement funding is provided for the provision of services for children with special educational needs and is included within other DfE grants.

Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year, this is included within other DfE grants.

Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

Restricted General Funds are made up of various revenue grants which are defrayed throughout the year on specific educational needs. The academy trust was not subject to a limit on GAG carry forward.

Restricted Fixed Asset Funds represent reserves of the charity that are specifically designated for capital. Inherited assets are principally the land and buildings from the former school.

Restricted Pension Funds represent the LGPS pension deficit.

During the year ended 31 August 2020, Restricted Fixed Asset Funds had an in year deficit of £75,392. A transfer of £75,392 has been made from from Restricted General Funds into Restricted Fixed Asset Funds to cover this deficit.

During the year ended 31 August 2020, Restricted General Funds had an in year deficit of £166,529. A transfer of £166,529 has been made from from Unrestricted General Funds into Restricted General Funds to cover this deficit.

During the year ended 31 August 2019, Restricted Fixed Asset Funds had an in year deficit of £168,102. A transfer of £168,102 has been made from from Restricted General Funds into Restricted Fixed Asset Funds to cover this deficit.

During the year ended 31 August 2019, Restricted General Funds had an in year deficit of £698,397. A transfer of £698,397 has been made from from Unrestricted General Funds into Restricted General Funds to cover this deficit.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 16 Funds (continued)

#### Analysis of academies by cost

Expenditure incurred by each academy during the year (excluding depreciation of £1,446,682 and including central service contributions of £581,944) was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £	Total 2019 £
Adelaide Primary School	1,605,329	416,255	116,079	427,844	2,565,507	2,354,008
Broadacre Primary School	1,146,344	284,735	52,474	340,422	1,823,975	1,541,029
Cambridge Park Academy	1,369,089	421,727	26,676	226,486	2,043,978	-
Christopher Pickering Primary School	1,684,862	356,423	76,381	477,433	2,595,099	2,518,406
Clifton Primary School	1,321,324	283,242	74,754	334,218	2,013,538	1,859,232
Frederick Holmes School	1,881,318	493,402	52,692	452,303	2,879,715	2,452,231
Ganton School	2,997,980	698,540	44,350	489,198	4,230,068	4,214,227
Maybury Primary School	882,024	268,351	61,666	245,138	1,457,179	1,409,960
Neasden Primary School	760,959	214,998	56,513	203,623	1,236,093	1,171,604
Parkstone Primary School	1,081,314	211,157	100,776	252,921	1,646,168	1,516,175
St Nicholas Primary School	691,614	153,166	40,058	194,642	1,079,480	1,012,799
Tweendykes School	3,204,827	533,127	118,014	530,369	4,386,337	912,652
Woodland Primary School	741,317	247,257	62,617	206,213	1,257,404	1,115,461
Central services	311,091	179,232	-	265,286	755,609	588,423
Academy Trust	<u>19,679,392</u>	<u>4,761,612</u>	<u>883,050</u>	<u>4,646,096</u>	<u>29,970,150</u>	<u>22,666,207</u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 16 Funds (continued)

##### Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Adelaide Primary School	570,043	442,973
Broadacre Primary School	757,217	533,329
Cambridge Park Academy	163,629	-
Christopher Pickering Primary School	193,558	361,047
Clifton Primary School	295,572	286,872
Frederick Holmes School	388,839	257,155
Ganton School	849,252	653,237
Maybury Primary School	414,426	381,871
Neasden Primary School	492,658	406,801
Parkstone Primary School	429,364	443,610
St Nicholas Primary School	47,259	23,064
Tweendykes School	655,984	456,171
Woodland Primary School	247,567	180,740
Central Services	147,484	120,388
Total before fixed assets and pension reserve	5,652,852	4,547,258
Restricted fixed asset fund	61,524,042	58,616,971
Pension reserve	(21,911,000)	(14,060,000)
Total	<u>45,265,894</u>	<u>49,104,229</u>

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	60,986,875	60,986,875
Current assets	4,025,607	3,352,592	537,167	7,915,366
Current liabilities	-	(1,725,347)	-	(1,725,347)
Pension scheme liability	-	(21,911,000)	-	(21,911,000)
Total net assets	<u>4,025,607</u>	<u>(20,283,755)</u>	<u>61,524,042</u>	<u>45,265,894</u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 17 Analysis of net assets between funds (continued)

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	58,506,863	58,506,863
Current assets	3,535,447	2,597,693	110,108	6,243,248
Current liabilities	-	(1,585,882)	-	(1,585,882)
Pension scheme liability	-	(14,060,000)	-	(14,060,000)
Total net assets	<u>3,535,447</u>	<u>(13,048,189)</u>	<u>58,616,971</u>	<u>49,104,229</u>

#### 18 Commitments under operating leases

##### *Operating leases*

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	22,383	29,020
Amounts due between one and five years	<u>18,677</u>	<u>31,866</u>
	<u>41,060</u>	<u>60,886</u>

##### *Private finance initiative commitments*

In relation to the private finance initiative (PFI) Tweendykes School is committed to making the following payments to Kingston Upon Hull City Council over the remaining term of the PFI agreement (assuming an annual increase of 1.03%):

	2020 £	2019 £
Amounts due within one year	95,832	74,299
Amounts due within 2 - 5 years	393,301	304,928
Amounts due over 5 years	1,168,516	993,493
	<u>1,657,649</u>	<u>1,372,720</u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 19 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2020 £	2019 £
Net (expenditure)/income	(1,186,335)	4,941,761
Depreciation	1,446,683	1,322,960
Cash transferred on conversions to the trust/on existing academies joining the trust	294,185	682,790
Donated capital and capital grants	(505,101)	(227,676)
Interest receivable	(10,842)	(2,661)
FRS 102 net interest on defined benefit pension scheme	320,000	214,000
FRS 102 cost less contributions payable on defined benefit pension scheme	2,095,000	993,000
(Increase) in stocks	(3,590)	(4,804)
(Increase)/decrease in debtors	(54,486)	218,760
Increase in creditors	139,465	256,461
Inherited Pension	<u>2,784,000</u>	<u>3,473,000</u>
Net cash inflow from operating activities	<u>5,318,979</u>	<u>11,867,591</u>

#### 20 Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(161,000)	(357,345)
Capital grants from DfE	505,101	227,676
Inherited Fixed Assets	<u>(3,765,695)</u>	<u>(9,244,428)</u>
Net cash outflow from capital expenditure and financial investment	<u>(3,421,594)</u>	<u>(9,374,097)</u>

#### 21 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>7,229,888</u>	<u>5,615,846</u>
Total cash and cash equivalents	<u>7,229,888</u>	<u>5,615,846</u>

#### 22 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Schools transferred in £	At 31 August 2020 £
Cash	5,615,846	1,319,857	294,185	7,229,888
	-	-	-	-
Total	<u>5,615,846</u>	<u>1,319,857</u>	<u>294,185</u>	<u>7,229,888</u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 23 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by the reference to:

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy, and
- b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State under the funding agreement.

#### 24 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.

#### 25 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Riding Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £432,037 (2019 - £267,365) were payable to the schemes at 31 August and are included within creditors.

##### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 25 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,908,378 (2019: £1,073,784). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is 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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £2,227,000 (2019 - £1,724,000), of which employer's contributions totalled £1,758,000 (2019 - £1,377,000) and employees' contributions totalled £469,000 (2019 - £347,000). The agreed contribution rates for future years are 20.4 per cent for employers and 5.5 - 12.5 per cent for employees.

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

#### Principal actuarial assumptions

	At 31 August 2020 %	At 31 August 2019 %
Rate of increase in salaries	3.10	2.50
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.90

#### Sensitivity analysis

	At 31 August 2020 £	At 31 August 2019 £
Discount rate -0.5%	6,129,000	4,087,000
Salary rate +0.5%	629,000	632,000
Pension rate +0.5%	5,387,000	3,373,000
Mortality assumption - 1 year increase	1,769,000	1,171,000

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 25 Pension and similar obligations (continued)

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

	2020	2019
<b>Retiring today</b>		
Males retiring today	20.90	20.80
Females retiring today	23.30	23.30
<b>Retiring in 20 years</b>		
Males retiring in 20 years	21.80	22.00
Females retiring in 20 years	24.80	24.90

The actual return on scheme assets was £800,000 (2019 - £618,000).

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

	2020 £	2019 £
Equities	14,717,000	10,822,000
Other bonds	3,568,000	2,285,000
Property	2,676,000	1,676,000
Cash and other liquid assets	1,337,000	456,000
Total market value of assets	22,298,000	15,239,000

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

	2019/20 £	2018/19 £
Current service cost	2,095,000	993,000
Interest cost	320,000	214,000
Total amount recognised in the SOFA	2,415,000	1,207,000

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

	2019/20 £	2018/19 £
At start of period	29,299,000	13,968,000
Conversion of academy trusts	-	3,063,000
Transferred in on existing academies joining the trust	7,452,000	5,209,000
Current service cost	3,853,000	2,284,000
Interest cost	668,000	541,000
Employee contributions	469,000	347,000
Actuarial (gain)/loss	2,718,000	3,868,000
Benefits paid	(250,000)	(67,000)
Past service cost	-	86,000
At 31 August	44,209,000	29,299,000



## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 25 Pension and similar obligations (continued)

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

	2019/20	2018/19
	£	£
At start of period	15,239,000	8,165,000
Conversion of academy trusts	-	2,007,000
Transferred in on existing academies joining the trust	4,668,000	2,792,000
Interest income	348,000	327,000
Actuarial gain/(loss)	66,000	291,000
Employer contributions	1,758,000	1,377,000
Employee contributions	469,000	347,000
Benefits paid	<u>(250,000)</u>	<u>(67,000)</u>
At 31 August	<u>22,298,000</u>	<u>15,239,000</u>

#### 26 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

##### C Kirby

C Kirby, daughter of P Brown, a Trustee, is employed by the academy trust as a teaching assistant. C Kirby's appointment was made in open competition and P Brown was not involved in the decision making process regarding appointment. C Kirby is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 27 Transfer of existing academies into the Trust

##### Cambirdge Park Academy

	Value reported by transferring academy trust £	Transfer in recognised £
<b>Tangible fixed assets</b>		
Leasehold land and buildings	3,562,258	3,562,258
Furniture and equipment	192,821	192,821
Computer equipment	10,616	10,616
	3,765,695	3,765,695
<b>Other assets</b>		
Stock	3,590	3,590
Debtors due in less than one year	157,602	157,602
Cash in bank and in hand	294,185	294,185
	455,377	455,377
<b>Liabilities</b>		
Creditors due in less than one year	(440,131)	(440,131)
<b>Pensions</b>		
Pensions – pension scheme liabilities	(2,784,000)	(2,784,000)
Net assets	996,941	996,941