

# Humber Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

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
	J Campbell (resigned 3 December 2022)
	S Des Forges
	G Gibbons
<b>Chief Executive Officer</b>	R Wilkes
<b>Governors and Trustees (Directors)</b>	G Brook, (Chair) (i) (ii - reserve)
	P Brown, (ii)
	G Barley, (i)
	R Wilkes, (i) (ii)
	S Hinchcliffe, (i)
	K Sainty
	D Wrapson, (i)
	R Davies
	J Moxon, (ii)
	R Oxborough, (i) (resigned 17 March 2023)
	D Potter, (ii)

(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 and Operating Officer  
P Plumridge, Deputy Chief Executive Officer

**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 2023**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The Trust provides education for 5,503 Nursery and school age pupils in Hull, Grimsby & Cleethorpes.

#### **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 seventeen academies during the year as follows:

- Adelaide Primary School
- Broadacre Primary School
- Bude Park Primary School
- Bursar Primary Academy (joined 1st April 2023)
- Cambridge Park Academy (Special)
- Christopher Pickering Primary School
- Clifton Primary School
- Frederick Holmes School (Special)
- Ganton School (Special)
- Highlands Primary School
- Kingswood Parks Primary School
- 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 through the DfE Risk Protection Arrangement (RPA). The protection provides cover up to £10,000,000 in any one loss and in any one Membership Year.

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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.

#### ***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 Trustee & Governor Code of Conduct.

Ongoing training is provided via e-learning and delivered through the pre-agreed meetings throughout the year. An annual visioning day takes place each Summer term. This year the day involved a review of DfE Trust Descriptors and a self-evaluation of the trust against these. This was extremely productive and has helped inform the trust development plan and the longer term planning for the trust.

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.

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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 Deputy CEO and the Chief Finance & Operations Officer. Central services are provided by the central management team including the CEO, Deputy CEO, Strategic School Improvement Partner, Strategic SEND Lead and the Chief Financial and Operating Officer.

The Trustees have operated three committees for 2022/23:

- Curriculum & Standards
- Finance & General Purposes
- Audit & Risk

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.

#### ***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 2022-2023.

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

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

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

Humber Education Trust follows the principle that all changes affecting staff, children and families involve due process in order 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. The Trust maintains a list of contracts in our Every System, with a full list of suppliers in our SAGE financial system.

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, that 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 8 for more details.

#### **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 a fulfilling, independent future life.



## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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 necessary challenge 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 education for all.

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***Public benefit***

As an 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 17 academies serving over 5,500 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.

#### **Strategic Report**

##### **Achievements and performance**

All schools in the Trust worked incredibly hard over the course of the last year to provide the highest quality of education for all pupils, including those from disadvantaged backgrounds and those with additional needs. Outcomes remain above national and trust internal and external monitoring supports the self-evaluations of our schools.

##### **Ofsted Inspections this year:**

4 schools in the Trust were inspected by Ofsted during the academic year 2022-2023. All schools maintained or improved their judgements.

Broadacre Primary School - Good (September 2022)

Cambridge Park Academy - Good (January 2023)

Frederick Holmes School - Good (February 2023)

Christopher Pickering Primary School - Outstanding (June 2023)

## Humber Education Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### Pupil numbers - Census January 2023 (excluding Nursery)

School	Number on Roll
Adelaide Primary School	421
Broadacre Primary School	497
Bude Park Primary School	213
Bursar Primary Academy	265
Cambridge Park Academy	219
Christopher Pickering Primary School	403
Clifton Primary School	338
Frederick Holmes School	108
Ganton School	169
Highlands Primary School	374
Kingswood Parks Primary School	619
Maybury Primary School	207
Neasden Primary School	260
Parkstone Primary School	333
St Nicholas Primary School	209
Tweendykes School	166
Woodland Primary School	183

#### Key performance indicators

Humber Education Trust has identified a range of characteristics and metrics in order to provide schools with both external and internal benchmarking data. This analysis will be revised every Spring term using a variety of national tools and data sets:

- Schools Resource Management Benchmarking return (ESFA)
- ISOT toolkit (ISBL)
- View My Financial Insights toolkit (DfE)

School data sources:

- Class Staffing analysis (Special Schools)
- Teacher Matrix (All Schools)
- IMP KPIs and balances – using actual not lagged pupil numbers

The Trust uses the following financial KPIs:

- Average Teacher Cost
- Leadership Costs as a % Of Total Teaching Costs
- Total Staff Costs: Total Income
- Teaching as % Total Income
- Classroom Support as % Of Total Income
- Total Staff Costs Per Pupil
- Total Teacher Cost Per Pupil
- Total Classroom Support Per Pupil
- Non Staff Costs Per Pupil
- Premises Costs Per Pupil
- Educational Resources (including ICT) Per Pupil

# Humber Education Trust

## Trustees' report for the Year Ended 31 August 2023 (continued)

	Finance % In Year Spend Actuals	Finance % In Year Spend	Finance % In Year Spend	Cumulative reserve %	2023/24	2023/24	2023/24	Finance % In Year Spend	Cumulative reserve %
	2022/23	2023/24 BFR approved	2023/24 Autumn 23 review	2023/24	Pupil / Teacher ratio	Staff/ pupil ratio	% Staff cost income	2024/25	2024/25
<b>Adelaide Primary</b>	114%	102%	99%	18%	22.2	8.4	77%	98%	20%
<b>Broadacre Primary</b>	108%	99%	99%	23%	21.9	10.3	74%	98%	25%
<b>Bude Park Primary</b>	105%	97%	101%	22%	16.6	6.9	75%	104%	20%
<b>Bursar Primary (NEW 1st April 2023)</b>	April to Aug 2023	103%	106%	19%	18.0	8.7	81%	103%	16%
<b>Christopher Pickering Primary</b>	100%	100%	101%	5%	20.0	8.0	83%	98%	7%
<b>Clifton Primary</b>	100%	102%	103%	12%	20.0	8.0	80%	101%	11%
<b>Highlands Primary</b>	111%	107%	118%	21%	16.0	7.0	83%	104%	19%
<b>Kingswood Parks Primary</b>	106%	105%	108%	15%	24.0	11.0	79%	101%	14%
<b>Maybury Primary</b>	106%	103%	118%	12%	16.9	7.7	82%	107%	5%
<b>Neasden Primary</b>	102%	102%	110%	20%	19.3	8.0	80%	103%	17%
<b>Parkstone Primary</b>	109%	102%	104%	18%	18.3	10.0	83%	106%	12%
<b>St Nicholas Primary</b>	94%	100%	103%	20%	25.0	10.0	77%	100%	19%
<b>Woodland Primary</b>	102%	102%	103%	16%	18.0	7.0	80%	107%	10%
<b>Cambridge Park</b>	97%	103%	105%	14%	7.7	1.8	88%	105%	9%
<b>Ganton School</b>	100%	102%	103%	19%	7.5	2.1	86%	106%	13%
<b>Frederick Holmes School</b>	105%	101%	103%	6%	7.3	1.6	82%	102%	4%
<b>Tweendykes School</b>	93%	100%	107%	19%	8.4	1.8	90%	105%	14%

## Humber Education Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

The budget forecast for 2022/23 has been reset since the submission of the July 2022 BFR. This was following the unprecedented pay award agreed over the summer for both Teachers and NJC staff. The overall impact on the original consolidated budget approved by Trustees in July 2022 was £1.14million in year. This also considered the NI % reversal on 6th November 2022. As such the Trustees wanted a full budget review and have agreed to set this as the opening position for 2022/23. The KPIs above reflect the restated position.

Reserve designation has been maintained for 2022/23 and as such the in-year position for all schools is deficit. The added impact of pay award and April to August back pay for NJC staff compounds this. Reserve plans will be reviewed next summer and will be subject to 2023/24 GAG funding and the ongoing effect of the increased staff costs, subsequent pay awards and the ongoing instability of energy markets. The Trust will also see an increase in Catering costs from January 2023 which have been subject to NJC pay awards and significant increases in food costs.

#### Academic performance indicators

##### Good Level of Development at the end of the Early Years Foundation Stage

School	% achieving GLD
<b>National outcome</b>	<b>65%</b>
Adelaide Primary School	53%
Broadacre Primary School	76%
Bude Park Primary School	53%
Bursar Primary Academy	73%
Clifton Primary School	61%
Christopher Pickering Primary School	73%
Highlands Primary School	56%
Kingswood Parks Primary School	80%
Maybury Primary School	64%
Neasden Primary School	67%
Parkstone Primary School	67%
St Nicholas Primary School	64%
Woodland Primary School	67%
<b>HET Aggregate</b>	<b>67%</b>

# Humber Education Trust

## Trustees' report for the Year Ended 31 August 2023 (continued)

### Year 1 Phonics Screening Check

School	% PSC Pass in Y1	% PSC Pass by the end of KS1
<b>National Outcome</b>	<b>79%</b>	<b>89%</b>
Adelaide Primary School	80%	93%
Broadacre Primary School	81%	91%
Bude Park Primary School	85%	91%
Bursar Primary Academy	79%	97%
Clifton Primary School	81%	92%
Christopher Pickering Primary School	87%	88%
Highlands Primary School	84%	89%
Kingswood Parks Primary School	90%	94%
Maybury Primary School	81%	90%
Neasden Primary School	85%	91%
Parkstone Primary School	85%	96%
St Nicholas Primary School	83%	78%
Woodland Primary School	85%	79%
<b>HET Aggregate</b>	<b>84%</b>	<b>91%</b>

### Outcomes at the end of KS1 (Year 2). % achieving the expected standard

School	Reading	Writing	Maths	RWM Combined
<b>National Outcome</b>	<b>68%</b>	<b>60%</b>	<b>70%</b>	<b>56%</b>
Adelaide Primary School	63%	55%	67%	53%
Broadacre Primary School	74%	63%	83%	63%
Bude Park Primary School	76%	70%	79%	70%
Bursar Primary Academy	72%	67%	72%	64%
Clifton Primary School	78%	69%	75%	67%
Christopher Pickering Primary School	77%	73%	78%	72%
Highlands Primary School	79%	72%	82%	70%
Kingswood Parks Primary School	81%	75%	90%	74%
Maybury Primary School	76%	69%	79%	69%
Neasden Primary School	71%	67%	71%	64%
Parkstone Primary School	74%	70%	85%	70%
St Nicholas Primary School	66%	59%	66%	59%
Woodland Primary School	48%	44%	52%	44%
<b>HET Aggregate</b>	<b>73%</b>	<b>67%</b>	<b>78%</b>	<b>66%</b>

# Humber Education Trust

## Trustees' report for the Year Ended 31 August 2023 (continued)

### Outcomes at the end of KS2 (Year 6). % of pupils achieving the expected standard

School	Reading	Writing	Maths	RWM Combined
<b>National Outcome</b>	<b>73%</b>	<b>71%</b>	<b>73%</b>	<b>59%</b>
Adelaide Primary School	71%	69%	76%	64%
Broadacre Primary School	57%	70%	68%	45%
Bude Park Primary School	89%	89%	85%	85%
Bursar Primary Academy	83%	80%	87%	73%
Clifton Primary School	78%	82%	90%	72%
Christopher Pickering Primary School	89%	84%	82%	79%
Highlands Primary School	95%	76%	92%	76%
Kingswood Parks Primary School	84%	84%	84%	82%
Maybury Primary School	87%	77%	80%	73%
Neasden Primary School	91%	83%	83%	80%
Parkstone Primary School	80%	79%	90%	75%
St Nicholas Primary School	77%	73%	73%	70%
Woodland Primary School	65%	77%	65%	52%
<b>HET Aggregate</b>	<b>80%</b>	<b>78%</b>	<b>82%</b>	<b>71%</b>

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***Going concern***

The Trustees consider that the Trust is a going concern. The 3 to 5 year forecasts for the Trust have been considered and approved by the Board of Trustees. Where schools have a planned in year deficit this has been subject to CEO approval as per the Trust Financial regulations. Specific reasons are provided for use of reserves and the school must have adequate reserves in line with our reserves policy. As a Trust we forecasted 4% on teachers' pay and 3% on all support staff pay when budgets were set in June 2023. The additional pay impact nationally proposed for staff in 2023/24 was included in the budgets as a differential until final agreement is reached. All salary liabilities have been accurately included in the school budgets. Accurate inflation will be applied to 2023/24 at the Autumn budget reviews but revert back to 4% and 3% in years thereafter. All pension & NI contributions are accurate. All staff performance increments are assumed year on year as appropriate. These are adjusted once finalised.

The STRB Teachers pay proposals and projected pay for NJC staff remain an ongoing concern. Although the teachers pay is funded, the NJC pay award remains unfunded. Our Special schools feel the greatest financial burden from this, employing proportionately greater numbers of support staff. Reserves are such that there is no immediate risk, however future years will require careful budgeting in order for these inflation levels to be sustained. Consolidated reserves remain securely within the trust reserve policy of 7% to 15% until 2026 based on current assumptions. At school level reserves are monitored closely and in year balances managed for sustainability on a termly basis. The reserve levels mean that individual schools have flexibility to consider possible reorganisations in a well-planned and timely manner. Falling roles across catchment areas are also placing pressure on some of our schools to rationalise.

Procurement on a Trust wide level often achieves better value for money and the Trust will consider all options upon renewal, identifying cost savings wherever possible. The Trust operates effectively within its Finance regulations and Scheme of Delegation ensuring that no unnecessary expenditure is incurred. Most recently, energy has been procured with other local trusts to achieve reduced costs and as such forecasted expenditure has reduced.

All spending is reviewed on an in-year basis with rationales required for in year balances be it surplus or deficit. The trust is looking at use of reserves given the reserve levels and how it can ensure they are used to the best effect and for the good of the wider trust. Strategies will be applied to ensure this is the case. For example, around estates management and deployment of funds for site safety and improvement as well as to support short term staff cost pressures.

Schools provide good outcomes for pupils, with any schools requiring central team/specialist support having this incorporated into their short and medium term planning and reflected in central and/or school budgets appropriately.

The trust improvement plan is fully costed and deliverable. This is reviewed termly at board meetings and relevant committee meetings. This is clearly evidenced in our meeting minutes. Trustees offer significant challenge to support their assurance.

Working budgets are maintained and updated monthly by all academies. Any variances are investigated as they arise and monthly management accounts are shared with all Trustees via our Trustees Microsoft Teams area. Open dialogue is maintained with the Chair of Trustees. The Trust as a whole has built up a substantial level of reserves which is deemed sufficient to cover the financial risk for a period of time. The Trust is in a very healthy consolidated cash position. Individual schools are also in a secure cash position. A savings strategy is managed to ensure the trust exploits the most value from its reserve funds.

The trust has a very clear Scheme of Delegation that is reviewed annually and displayed on the trust website. This clearly dictates every level of responsibility and to whom this falls and within what thresholds from a financial perspective and also the operations functions of the trust. Schools are very clear on where their levels of responsibility lie.

This is further reflected in our trust Finance Regulations and Procurements Regulations.

The CFOO and Accounting Officer (CEO) have direct oversight of school spending that exceeds specified levels.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.



## Humber Education Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### ***Promoting the success of Humber Education Trust***

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 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2023 total expenditure of £48,310,150 was not covered by the recurrent grant funding from the DfE together with other incoming resources of £45,089,313 (excluding capital grants and amounts transferred in from existing academies). The excess of expenditure over income for the period was £3,220,837. This excess includes depreciation charges, accounting adjustments in relation to tangible fixed assets, of £2,510,718 and FRS 102 pension cost adjustments, in relation to the LGPS liability of £997,000. If the depreciation charges and FRS 102 pension cost adjustments were added back to the excess figure of £3,220,837, the Trust made a surplus of £286,881.

At 31 August 2023 the net book value of fixed assets was £96,421,334 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 £326,000.

#### ***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 have determined that the appropriate level of reserves to be held for non-earmarked expenditure should equate to a minimum of 7% of total income (unrestricted and restricted) to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies. For schools with reserves that exceed 15% of total income (unrestricted and restricted), a rationale must be seen as to how these will be used and/or why retained. For more details please refer to the going concern section.

A breakdown of the funds at 31 August 2023 is as follows:-

	£
Restricted general fund	3,374,106
Restricted fixed asset fund	96,760,322
Restricted pension fund	(326,000)
Unrestricted general fund	6,795,759
	<u>106,604,187</u>

## **Humber Education Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***Investment policy***

The Trustees agree all investments made by the Academy Trust. The Academy Trust opened a 32-day notice deposit account in December 2019. Additional funds were deposited into the account in May 2021. 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. It is planned that reserves will be reviewed Autumn 2023 and monies moved to savings as appropriate. A 6 month, fixed term deposit will be opened to supplement the 32-day notice account.

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

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.

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.

#### ***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 (IMP) 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 opportunities 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.

# Humber Education Trust

## Trustees' report for the Year Ended 31 August 2023 (continued)

### 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 assets owned or operated within the UK only as defined by the operational control boundary. This includes all 16 schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (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.

#### UK Greenhouse gas emissions and energy use data for the period 01 September 2022 to 31 August 2023

	2023	2022
Energy consumption used to calculate emissions (kWh)	7,215,578	7,852,399
<b>Energy consumption break down (kWh)</b>		
Gas	4,611,076	5,120,079
Purchased electricity from the grid	2,329,653	2,457,206
Transport fuel	54,018	56,624
Biomass	211,648	212,998
Consumed electricity from on-site renewable sources	9,183	5,492
<b>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</b>		
Trust owned vehicles (mini-buses)	4.20	6.50
Natural gas	843.50	934.60
Biomass (N <sub>2</sub> O & CH <sub>4</sub> only emissions)	2.10	2.10
Total scope 1	849.80	943.20
<b>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</b>		
Purchased electricity (location-based)	482.40	475.20
<b>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</b>		
Category 6: Business travel (grey fleet)	9.00	7.50
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>1341.20</b>	<b>1425.90</b>

## Humber Education Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### Intensity ratio

Tonnes CO2e per pupil	0.24	0.29
Tonnes CO2e per square meter floor area	0.03	0.03
Tonnes of CO2e per pupil	0.24	0.29

#### 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 2023 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 and gas consumption were compiled from invoice records. Where invoices did not cover the reporting year, estimation techniques were applied. Where data was unavailable the direct comparison method has been applied. On site renewable solar photovoltaic electricity generation was compared to the previous reporting year, where exported data is measured and excluded. Minibus usage was determined from odometer mileage records, while employee-owned vehicle usage was taken from mileage claims. At two sites (Ganton School & Tweendykes), energy is shared with another school outside of the Trust, so has been apportioned by floor area. Generally gross calorific values were used except for grey fleet 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 direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

#### Intensity measurement

Two intensity ratios are reported showing emissions (tCO2e) per pupil and per square meter floor area.

Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2022 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions. Floor area is calculated as Gross Internal Area and taken predominantly from Display Energy Certificates.

#### Measures taken to improve energy efficiency

During the current reporting year, the Trust has continued its carbon reduction plans by implementing the following energy efficiencies:

- Improved metering and monitoring at all sixteen schools. All sites now have AMPs.
- Staff training for building management systems (BMS) has been reviewed giving people the knowledge to operate and schedule main energy users.
- Trust wide decarbonisation surveys completed.
- Phase 1/3 Trust wide LED installation undertaken at:
  - o Frederick Homes
  - o Kingswood Parks
  - o Christopher Pickering
  - o Woodland
  - o Highlands
- Two boilers replaced at Bude Park with more energy efficient models.
- Additional solar panels installed at Broadcare and Kingswood.
- Installation of EV charging points at Broadcare.

## Humber Education Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### Plans for future periods

Humber Education Trust is an established Trust as defined by the DfE. The Trust was successful in its application for a Special Free School which has experienced delays to capital planning and is now hoped to open in Sept 2026.

The Trust will continue to review the central team capacity over 2023/24 to ensure it is prepared to manage further schools. Should more schools wish to join the Trust, the business model is now set ready to expand and support them effectively. Trustees attend an annual visioning day each summer to consider strategic planning. This year focused on the new DfE Trust Descriptors and trust self-evaluation.

New postholders joined the central team in 2022/23 – Safeguarding & Risk Manager and a trust wide Attendance Manager. The HET ICT Support team expanded in 2022/23 as the final Hull schools transferred to the Trust ICT support service. We are working with our new school, Bursar Primary in Cleethorpes to transfer them across to the service as its current service contract allows. Expanding out trustwide support in NE Lincolnshire is the next phase of development.

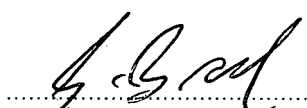
Extensive site improvements took place over 2022/23. Deployment of SCA funding has supported this as well as some reserve designations. In 2023/24 the focus will be to conclude our trustwide LED lighting installations. A trust conditions review will be undertaken across all schools to review priorities for conditions improvements. Roof works are expected to be a priority. We hold detailed asset plans for all schools which will be updated following the conditions review.

#### 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 6 December 2023 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, Chief Executive Officer, 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 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Barley	3	4
G Brook	3	4
P Brown	4	4
R Davies	3	4
J Moxon	4	4
K Sainty	4	4
S Hinchcliffe	0	4
R Oxborough	0	2
D Potter	3	4
D Wrapson	2	4
R Wilkes	4	4

### Conflicts of interest

Members, Trustees, and local governors of academies are required to complete a declaration of interest form annually, and, with an item included on every meeting agenda, of the need to declare any interests in agenda items, and to notify any changes in relation to business and pecuniary interests which had been acquired or relinquished since declaration of interest forms were last completed. The declaration form to be completed on an annual basis is circulated with guidance so that all Members, Trustees and Local governors are clear in their responsibilities under the Academy Trust Handbook, and their duty to declare any direct or indirect interest.

Making an annual declaration does not remove the requirement to make an oral disclosure of the interest, and temporarily leave the meeting where the interest is relevant to something being discussed. Any person who is present at a meeting of an Academy or the Trust Board must formally declare any interest they may have against any item that appears on the agenda. This relates to any contract, proposed contract or other matter that is being considered. The person must disclose the fact as soon as is practical at the meeting and take no part in the consideration or discussion of the contract or matter concerned. The person must withdraw from the meeting during consideration or discussion unless the board allows otherwise. In addition, the person cannot vote on any question with respect to the contract or matter being discussed.

## Humber Education Trust

### Governance statement (continued)

The minutes of the meeting will record the following:

- The nature of the conflict;
- Which Member, Trustee or local governor(s) it relates to;
- Whether a declaration was made in advance of the meeting;
- A brief overview of what was discussed;
- Whether the Member, trustee(s)/ local governor(s) withdrew from the meeting;
- How the trustees/governors made the decision in the best interests of the Trust/school.

#### 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 forecast v actuals report, balance sheet, cashbook detail report and cash flows. Also presented is the central services cash flow and forecast v actuals report. All termly Trustee reporting is uploaded as well as BFR return summaries. When appropriate, trust level tendering documentation is also available for viewing on the shared area. In 2022/23 Trustees agreed to procure an enhanced SAGE solution which will be cloud based (live date January 2024.) It will continue to integrate with the trust budget forecasting software (IMP) and also provide greater options in terms of centralised finance management. All trust software is now cloud based reducing the business risk of server-based solutions, cyber risk and supports effective business continuity.

SCA funds are monitored separately and held in their own bank account. This ensures revenue cash flow can be overseen accurately and is not skewed with the presence of capital funds. A 5 year SCA plan is in place in order to address conditions effectively and will also be used for Decarbonisation projects over the forthcoming years. This work began in 2022/23. Devolved Capital remains delegated to each school.

Reserve designation was reviewed to ensure time measured plans submitted for each school were being achieved. Despite the significant pay awards agreed by the DfE, the Trust maintained the reserve plans for 2022/23 but will need to review these in future years in light of budget pressures. The reserves will protect the Trust for 2023/24, 2024/25 and in most schools 2025/26. Some schools will need to consider in year balances and possible staffing restructures before 2024/25 in order to sustainably manage future years. The Trust will continue to review budgets on a termly basis to ensure forecasts are secure and budgets do not run into cumulative deficits. The Trust will review its reserve policy annually and will consider reducing the maximum reserve threshold as appropriate.

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 also presented to the Audit Committee. The risk register is presented here as well as all other compliance.

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	2	3
G Brook	3	3
S Hinchcliffe	1	3
R Wilkes	2	3
D Wrapson	3	3
R Oxborough	1	2

## Humber Education Trust

### Governance statement (continued)

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
J Moxon	3	3
D Potter	3	3
R Wilkes	3	3

#### 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, as well as estates safety and management, 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:

#### • Energy contracts

Gas consortium procurement: additional savings achieved due to proportionate buying of gas in advance in collaboration with other local trusts. This achieved annual savings of £28k for HET.

Electric consortium procurement 2024: HET will join this in Sept 2024, which is currently forecasted to achieve a 22% reduction based on the prices procured to date. We have used this for budget forecasting purposes but this may reduce further by the time the 2024/25 electric is purchased.

#### • Payroll provider - Dataplan (IRIS)

The HET existing provider, Dataplan Ltd (IRIS) registered with a DfE approved framework - 'EverythingICT'. We procured the service using a 'Direct award'. The agreement was set up in conjunction with a HR Software contract so both sit side by side with the same terms and conditions.

• **EVERY(HR) (IRIS)** is a HR software solution that fully integrates with Dataplan meaning schools will have the ability to manage and support employees from one place. It has a dedicated, integrated, Payroll Reporting module that collates key employee data, incorporating changes and prepares it for Dataplan. It simplifies the management of all key employee information storing this centrally and generating automated alerts to review out of date data.

The EVERY HR staff absence management module means we can better manage and monitor employee leave and absences with our own dashboard, central calendar and reports. Not only does the system automate the more mundane tasks reducing admin, but it also reduces the risk of human errors and provides accurate real-time information about staff absence.

Workforce Census is automatically up to date and means that schools will no longer have to enter data into more than one MIS. We have moved to one point of data entry.



## **Humber Education Trust**

### **Governance statement (continued)**

#### **• School estates project procurements:**

- Adelaide PS - Alterations to form new staffroom and teaching spaces.
- Bude Park PS - Renewal of external doors
- Bude Park PS - Alterations to school admin office
- Clifton PS - Toilet Refurbishment Years 3-6
- Highlands PS - Phase 3 asbestos removal (included upgrade of LED lights)
- Kingswood Parks - Alterations to school admin office
- Maybury PS - resurface of main access road and isolated areas of footpaths.
- St Nicholas PS - Foundation remodelling and KS1 Toilet Refurbishment
- Cambridge Park Academy - LED Lighting Upgrade
- Kingswood Parks - LED Lighting Upgrade
- Frederick Holmes - LED Lighting Upgrade
- Parkstone PS - Toilet Extension & Refurbishment
- Adelaide FSU Extension - Foundation modular and internal remodelling

#### **• Statutory Premises testing - in-house**

Legally written terms and conditions, containing strict KPIs were developed in collaboration with our Legal Advisors, Browne Jacobson. These were replicated for each cyclical, statutory service, check and test. The tendering and procurement process was completed for Sept 2022 commencement. The provision has achieved full compliance across all schools and has been overseen by the trust Estates & Compliance Manager. Agreed contracts were for 2 years' subject to a successful 1st year review. All contracts have been renewed and orders raised for 2023 works.

• **Decarbonisation surveys** - a tender was undertaken for the implementation of LED installations across all trust schools. Phase 1 complete over the summer of 2023. Phase 2 completes by Spring 2024 and the final phase over summer 2024

#### **• Asbestos Legionella**

All school affected by Asbestos have received new site surveys and had new management plans provided, overseen by the trust Estates & Compliance manager (duty holder).

Autumn 2023 will see the same process undertaken re Legionella Risk Assessments. These will be followed by the completion of any associated action points.

#### **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 2023 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 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

## **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;
- identification and management of risks.

The board of trustees has decided:

- to reappoint SAAF Education Ltd to perform the internal audit function for the Trust. SAAF carried out internal audit work for six schools across the Trust.
- to reappoint Rebecca Oxborough, Trustee, to perform the internal audit of the central trust.

This was chosen because we undertake as such to adhere to the appointment of auditors not related to our external auditor. Mrs. Oxborough is a qualified accountant and is not chargeable. Only paid travel expenses were reimbursed. This was in our opinion the best value option and enabled Rebecca to provide direct assurance to the other Trustees. Following Mrs. Oxborough's resignation as a Trustee in Spring 2023, an external auditor Mrs. Nolan was appointed for the central finance internal audit checks. It is planned that Mrs. Nolan will also take over the school level internal audits in 2023/24. Mrs. Nolan is a qualified accountant and undertakes internal audit for several other schools and trusts in the Hull area. She has extensive sector experience from her previous role as a MAT CFO.

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

- testing of banking controls
- testing of purchase systems
- testing of income controls
- testing of staff expenses and charge card expenses
- testing of HR & payroll controls
- testing of control account reconciliations
- testing of high level controls
- testing of VAT reclaim controls

On a regular basis, the reviewer reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

#### **Review of effectiveness**

As Accounting Officer, R Wilkes, Chief Executive Officer, (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:

## Humber Education Trust

### Governance statement (continued)

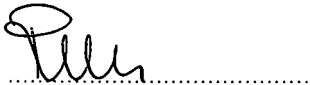
- the work of the internal reviewer, external auditors and bespoke reports;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 6 December 2023 and signed on its behalf by:



G Brook  
Governor and trustee



R Wilkes  
Accounting officer  
Chief Executive Officer

## **Humber Education Trust**

### **Statement of 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, including for estates safety and management, under the funding agreement 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 Trust Handbook 2022, including responsibilities for estates safety and management.

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 Trust Handbook 2022.

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, Chief Executive Officer  
Accounting officer

6 December 2023

## 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 2022 to 2023 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.

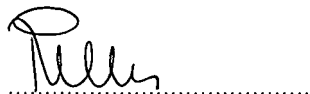
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have 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 6 December 2023 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 2023, which comprise the Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account), Balance Sheet as at 31 August 2023, Statement of Cash Flows for the year ended 31 August 2023, 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 2022 to 2023 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 2023 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 2022 to 2023 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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### **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 27], 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Humber Education Trust**

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

Using our knowledge of the company and the industry in which it operates, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities SORP 2019, the Academy Trust Handbook 2022 to 2023 issued by the ESFA, the Academies Accounts Direction 2023 issued by the ESFA and UK Tax legislation. We assessed the susceptibility of the company's financial statements to material misstatement by considering the controls the company has established to address risks identified and how the directors monitor these controls and by evaluating the opportunity to commit fraud.

Our audit procedures included the following;

- testing management override controls including journal testing and reviewing accounting estimates for reasonableness
- enquiries of management and the company's solicitors of actual and potential litigation claims
- reviewing legal and professional fees for any potential litigation claims
- identification of key laws and regulations central to the academies operations and review of compliance with such laws including a review of the Academy Trust Handbook 2022
- enquiries of management including fraud and associated risks
- discussions with management, including consideration of known or suspected instances of non-compliance
- challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability
- testing focussing on the areas of the financial statements most susceptible to material error including completeness of income and review to ensure correct matching revenue and costs
- testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



## Humber Education Trust

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

- 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.

*Forrester Boyd Robson Limited*

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: *11/12/2023*

## **Humber Education Trust**

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

In accordance with the terms of our engagement letter dated 1 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 2022 to 31 August 2023 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 Assurance 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: *11/12/2023*

# Humber Education Trust

## Statement of Financial Activities for the Year Ended 31 August 2023 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2022/23 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	300,321	255,374	8,559,643	9,115,338
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	43,708,407	-	43,708,407
Other trading activities	4	1,174,119	-	-	1,174,119
Investments	5	54,692	-	-	54,692
Total		1,529,132	43,963,781	8,559,643	54,052,556
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	289,847	44,933,216	3,087,087	48,310,150
Net income/(expenditure)		1,239,285	(969,435)	5,472,556	5,742,406
Transfers between funds		(374,000)	(1,006,108)	1,380,108	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	27	-	6,124,000	-	6,124,000
Net movement in funds		865,285	4,148,457	6,852,664	11,866,406
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2022		5,930,474	(1,100,351)	89,907,658	94,737,781
Total funds carried forward at 31 August 2023		6,795,759	3,048,106	96,760,322	106,604,187

# Humber Education Trust

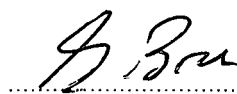
## Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	87,340	-	11,847,472	11,934,812
Other trading activities	4	1,026,883	-	-	1,026,883
Investments	5	3,437	-	-	3,437
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	40,202,552	-	40,202,552
Total		1,117,660	40,202,552	11,847,472	53,167,684
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	253,265	44,889,930	2,735,147	47,878,342
Net income/(expenditure)		864,395	(4,687,378)	9,112,325	5,289,342
Transfers between funds		(217,475)	(452,696)	670,171	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	27	-	37,924,000	-	37,924,000
Losses on revaluation of fixed assets		-	-	(3,416,045)	(3,416,045)
Net movement in funds		646,920	32,783,926	6,366,451	39,797,297
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		5,283,554	(33,884,277)	83,541,207	54,940,484
Total funds/(deficit) carried forward at 31 August 2022		5,930,474	(1,100,351)	89,907,658	94,737,781

**Humber Education Trust**  
**(Registration number: 08682547)**  
**Balance Sheet as at 31 August 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	96,421,334	89,004,272
<b>Current assets</b>			
Stocks	13	8,394	8,394
Debtors	14	1,331,664	1,077,924
Cash at bank and in hand	23	13,988,941	14,149,378
		<u>15,328,999</u>	<u>15,235,696</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	15	(4,813,827)	(4,049,187)
Net current assets		<u>10,515,172</u>	<u>11,186,509</u>
Total assets less current liabilities		106,936,506	100,190,781
Creditors: Amounts falling due after more than one year	16	(6,319)	-
Net assets excluding pension liability		106,930,187	100,190,781
Defined benefit pension scheme liability	27	(326,000)	(5,453,000)
<b>Total net assets</b>		<u><b>106,604,187</b></u>	<u><b>94,737,781</b></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund	17	3,374,106	4,352,649
Restricted fixed asset fund	17	96,760,322	89,907,658
Pension reserve	17	(326,000)	(5,453,000)
		<u>99,808,428</u>	<u>88,807,307</u>
<b>Unrestricted funds</b>			
Unrestricted general fund	17	6,795,759	5,930,474
<b>Total funds</b>		<u><b>106,604,187</b></u>	<u><b>94,737,781</b></u>

The financial statements on pages 34 to 67 were approved by the Trustees, and authorised for issue on 6 December 2023 and signed on their behalf by:

  
 .....  
 G Brook  
 Governor and trustee

## Humber Education Trust

### Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £	2022 £
Net cash inflow from operating activities	21	9,031,558	13,623,989
Cash transferred on conversions to the trust/on existing academies joining the trust		(382,865)	-
Returns on investments and servicing of finance	21	54,692	3,437
Cash flows from investing activities	22	<u>(8,863,822)</u>	<u>(11,286,286)</u>
(Decrease)/increase in cash in the year	23	<u>(160,437)</u>	<u>2,341,140</u>

# **Humber Education Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2023**

### **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 2022 to 2023 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.



## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### **Going concern**

The Trustees consider that the Trust is a going concern. The 3 to 5 year forecasts for the Trust have been considered and approved by the Board of Trustees. Where schools have a planned in year deficit this has been subject to CEO approval as per the Trust Financial regulations. Specific reasons are provided for use of reserves and the school must have adequate reserves in line with our reserves policy. As a Trust we forecasted 4% on teachers' pay and 3% on all support staff pay when budgets were set in June 2023. The additional pay impact nationally proposed for staff in 2023/24 was included in the budgets as a differential until final agreement is reached. All salary liabilities have been accurately included in the school budgets. Accurate inflation will be applied to 2023/24 at the Autumn budget reviews but revert back to 4% and 3% in years thereafter. All pension & NI contributions are accurate. All staff performance increments are assumed year on year as appropriate. These are adjusted once finalised.

The STRB Teachers pay proposals and projected pay for NJC staff remain an ongoing concern. Although the teachers pay is funded, the NJC pay award remains unfunded. Our Special schools feel the greatest financial burden from this, employing proportionately greater numbers of support staff. Reserves are such that there is no immediate risk, however future years will require careful budgeting in order for these inflation levels to be sustained. Consolidated reserves remain securely within the trust reserve policy of 7% to 15% until 2026 based on current assumptions. At school level reserves are monitored closely and in year balances managed for sustainability on a termly basis. The reserve levels mean that individual schools have flexibility to consider possible reorganisations in a well-planned and timely manner. Falling roles across catchment areas are also placing pressure on some of our schools to rationalise.

Procurement on a Trust wide level often achieves better value for money and the Trust will consider all options upon renewal, identifying cost savings wherever possible. The Trust operates effectively within its Finance regulations and Scheme of Delegation ensuring that no unnecessary expenditure is incurred. Most recently, energy has been procured with other local trusts to achieve reduced costs and as such forecasted expenditure has reduced.

All spending is reviewed on an in-year basis with rationales required for in year balances be it surplus or deficit. The trust is looking at use of reserves given the reserve levels and how it can ensure they are used to the best effect and for the good of the wider trust. Strategies will be applied to ensure this is the case. For example, around estates management and deployment of funds for site safety and improvement as well as to support short term staff cost pressures.

Schools provide good outcomes for pupils, with any schools requiring central team/specialist support having this incorporated into their short and medium term planning and reflected in central and/or school budgets appropriately.

The trust improvement plan is fully costed and deliverable. This is reviewed termly at board meetings and relevant committee meetings. This is clearly evidenced in our meeting minutes. Trustees offer significant challenge to support their assurance.

Working budgets are maintained and updated monthly by all academies. Any variances are investigated as they arise and monthly management accounts are shared with all Trustees via our Trustees Microsoft Teams area. Open dialogue is maintained with the Chair of Trustees. The Trust as a whole has built up a substantial level of reserves which is deemed sufficient to cover the financial risk for a period of time. The Trust is in a very healthy consolidated cash position. Individual schools are also in a secure cash position. A savings strategy is managed to ensure the trust exploits the most value from its reserve funds.

The trust has a very clear Scheme of Delegation that is reviewed annually and displayed on the trust website. This clearly dictates every level of responsibility and to whom this falls and within what thresholds from a financial perspective and also the operations functions of the trust. Schools are very clear on where their levels of responsibility lie.

This is further reflected in our trust Finance Regulations and Procurements Regulations.

The CFOO and Accounting Officer (CEO) have direct oversight of school spending that exceeds specified levels.

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### **Income**

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

##### **Grants**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are 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.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

##### **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.

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### ***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 is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

##### **Expenditure**

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

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.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 1 Accounting policies (continued)

##### 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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold Land	Straight line over 90-125 years
Leasehold buildings	Straight line over 50 years
Improvements to leasehold land and buildings	Straight line over 10-25 years
Furniture & equipment	Straight line over 3-5 years
IT equipment	Straight line over 3-5 years
Motor vehicles	Straight line over 5 years

##### 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.

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### **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 notes 15 and 16. 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 2023 (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 2023 (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 27, 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 2023. 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 General Funds £	Restricted Fixed Asset Funds £	2022/23 Total £	2021/22 Total £
Educational trips and visits	100,180	-	-	100,180	70,384
Capital grants	-	-	1,063,959	1,063,959	923,424
Transfer in of existing academies	148,226	255,374	7,495,684	7,899,284	-
Other donations	51,915	-	-	51,915	16,956
Donated fixed assets	-	-	-	-	10,924,048
	<u>300,321</u>	<u>255,374</u>	<u>8,559,643</u>	<u>9,115,338</u>	<u>11,934,812</u>

The income from donations and capital grants was £9,115,338 (2022: £11,934,812) which was allocated between the funds as follows; £300,321 unrestricted funds (2022: £87,340), £255,374 restricted funds (2022: £Nil), £8,559,643 restricted fixed asset funds (2022: £11,847,472) and £Nil endowment funds (2022: £Nil).

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

	Restricted General Funds £	2022/23 Total £	2021/22 Total £
<b>Educational operations</b>			
<b>DfE/ESFA revenue grants</b>			
General Annual Grant	26,153,083	26,153,083	24,613,181
Pupil Premium	2,466,034	2,466,034	2,287,728
Other ESFA Grants	2,223,032	2,223,032	1,242,521
Teacher Pay and Pension Grants	46,172	46,172	78,730
Universal Infant Free School Meals	482,139	482,139	388,036
	<u>31,370,460</u>	<u>31,370,460</u>	<u>28,610,196</u>
<b>Other government grants</b>			
Local Authority Funding	12,337,947	12,337,947	11,583,415
<b>Covid-19 additional funding (DfE/ESFA)</b>			
Other DfE/ESFA COVID-19 funding	-	-	8,941
<b>Total grants</b>	<u>43,708,407</u>	<u>43,708,407</u>	<u>40,202,552</u>

The funding for educational operations was £43,708,407 (2022: £40,202,552) which was allocated between the funds as follows; £Nil unrestricted funds (2022: £Nil), £43,708,407 restricted funds (2022: £40,202,552), £Nil restricted fixed asset funds (2022: £Nil) and £Nil endowment funds (2022: £Nil).

### 4 Other trading activities

	Unrestricted Funds £	2022/23 Total £	2021/22 Total £
Hire of facilities	75,156	75,156	58,830
Catering income	318,591	318,591	277,902
Recharges and reimbursements	-	-	156,074
Other income	780,372	780,372	534,077
	<u>1,174,119</u>	<u>1,174,119</u>	<u>1,026,883</u>

The income from other trading activities was £1,174,119 (2022: £1,026,883) which was allocated between the funds as follows; £1,174,119 unrestricted funds (2022: £1,026,883), £Nil restricted funds (2022: £Nil), £Nil restricted fixed asset funds (2022: £Nil) and £Nil endowment funds (2022: £Nil).



# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

### 5 Investment income

	Unrestricted Funds £	2022/23 Total £	2021/22 Total £
Bank Interest Received	1,034	1,034	996
Investment Income	53,658	53,658	2,441
	<u>54,692</u>	<u>54,692</u>	<u>3,437</u>

The income from other trading activities was £54,692 (2022: £3,437) which was allocated between the funds as follows; £54,692 unrestricted funds (2022: £3,437), £Nil restricted funds (2022: £Nil), £Nil restricted fixed asset funds (2022: £Nil) and £Nil endowment funds (2022: £Nil).

### 6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2023 £	Total 2022 £
<b>Academy's educational operations</b>					
Direct costs	30,819,173	2,021,987	2,026,041	34,867,201	32,236,833
Allocated support costs	<u>5,128,097</u>	<u>4,576,196</u>	<u>3,738,656</u>	<u>13,442,949</u>	<u>15,641,509</u>
	<u>35,947,270</u>	<u>6,598,183</u>	<u>5,764,697</u>	<u>48,310,150</u>	<u>47,878,342</u>
	<u>35,947,270</u>	<u>6,598,183</u>	<u>5,764,697</u>	<u>48,310,150</u>	<u>47,878,342</u>

#### Net incoming/outgoing resources for the year include:

	2023 £	2022 £
Operating leases - PFI payments	73,049	96,819
Operating leases - other leases	39,172	50,026
Fees payable to auditor - audit	35,000	28,000
- other audit services	7,155	7,100
Depreciation	<u>2,510,718</u>	<u>2,247,389</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

### 7 Charitable activities

		2022/23 £	2021/22 £
Direct costs - educational operations		34,867,201	32,236,833
Support costs - educational operations		13,442,949	15,641,509
		<u>48,310,150</u>	<u>47,878,342</u>
	<b>Educational operations £</b>	<b>2022/23 Total £</b>	<b>2021/22 Total £</b>
<b>Analysis of support costs</b>			
Support staff costs	5,128,097	5,128,097	8,604,830
Depreciation	488,731	488,731	361,823
Technology costs	726,086	726,086	478,208
Premises costs	4,087,465	4,087,465	3,460,825
Other support costs	2,972,448	2,972,448	2,704,730
Governance costs	40,122	40,122	31,093
Total support costs	<u>13,442,949</u>	<u>13,442,949</u>	<u>15,641,509</u>

### 8 Staff

#### Staff costs

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	26,892,073	24,553,186
Social security costs	2,480,160	2,268,979
Pension costs	6,255,056	10,060,514
Supply teacher costs	277,833	245,744
Staff restructuring costs	42,148	39,810
	<u>35,947,270</u>	<u>37,168,233</u>
	<b>2022/23 £</b>	<b>2021/22 £</b>
<b>Staff restructuring costs comprise:</b>		
Severance payments	<u>42,148</u>	<u>39,810</u>

#### Statutory/contractual staff severance payments

Included in wages and salaries are statutory/contractual severance payments totalling £42,148 (2022: £39,810). Individually, the payments were: £7,000, £8,903, £5,850, £3,468, £4,873, £9,214 and £2,840.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 8 Staff (continued)

##### Staff numbers

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

	2022/23 No	2021/22 No
Management	3	3
Teachers	339	322
Administration and support	888	848
	<u>1,230</u>	<u>1,173</u>

##### Higher paid staff

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

	2022/23 No	2021/22 No
£60,001 - £70,000	10	7
£70,001 - £80,000	7	10
£80,001 - £90,000	4	-
£90,001 - £100,000	1	4
£100,001 - £110,000	2	1
£110,001 - £120,000	1	-
£140,001 - £150,000	-	1
£150,001 - £160,000	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 £478,215 (2022: £442,071).

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (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 Executive Officer, Deputy Chief Executive Officer & Chief Finance & Operating Officer
- Provision of Services of an Estates Manager, Safeguarding & Risk Manager & Attendance Manager
- School Improvement
- Human Resources & Recruitment
- Staff attendance & payroll integration systems
- Audit, pension and legal services
- Provision of a Compliance Management System
- Provision of a finance and budgeting system
- Health & Safety auditing and management of premises statutory compliance

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

- 4.75% of GAG income for all Academies

The actual amounts charged during the year were as follows:

	2022/23	2021/22
	£	£
Adelaide Primary School	101,310	88,767
Broadacre Primary School	90,067	70,944
Bude Park Primary School	55,726	49,842
Bursar Primary Academy	24,102	-
Cambridge Park Academy	104,705	104,499
Christopher Pickering Primary School	92,601	80,841
Clifton Primary School	78,964	69,915
Frederick Holmes School	51,434	38,250
Ganton School	82,469	73,524
Highlands Primary School	94,840	86,682
Kingswood Park Academy	124,794	104,634
Maybury Primary School	52,747	44,859
Neasden Primary School	54,106	44,940
Parkstone Primary School	69,661	62,580
St Nicholas Primary School	46,293	39,624
Tweendykes School	78,643	69,699
Woodland Primary School	48,311	42,891
	<u>1,250,773</u>	<u>1,072,491</u>

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **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: £155,000 - £160,000 (2022 - £140,000 - £145,000)

Employer's pension contributions: £35,000 - £40,000 (2022 - £30,000 - £35,000)

During the year ended 31 August 2023, travel and subsistence expenses totalling £548 (2022 - £646) were reimbursed or paid directly to 1 trustee (2022 - 1).

Other related party transactions involving the trustees are set out in note 28.

#### **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.

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

### 12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Improvements to leasehold land and buildings £	Motor vehicles £	2022/23 Total £
<b>Cost</b>						
At 1 September 2022	91,743,567	1,021,709	1,060,753	2,910,779	95,138	96,831,946
Additions	-	1,033,893	142,301	1,255,903	-	2,432,097
Inherited assets	<u>7,438,901</u>	<u>4,769</u>	<u>52,014</u>	<u>-</u>	<u>-</u>	<u>7,495,684</u>
At 31 August 2023	<u>99,182,468</u>	<u>2,060,371</u>	<u>1,255,068</u>	<u>4,166,682</u>	<u>95,138</u>	<u>106,759,727</u>
<b>Depreciation</b>						
At 1 September 2022	6,451,088	458,623	557,976	297,442	62,546	7,827,675
Charge for the year	<u>1,838,002</u>	<u>226,451</u>	<u>255,169</u>	<u>183,985</u>	<u>7,111</u>	<u>2,510,718</u>
At 31 August 2023	<u>8,289,090</u>	<u>685,074</u>	<u>813,145</u>	<u>481,427</u>	<u>69,657</u>	<u>10,338,393</u>
<b>Net book value</b>						
At 31 August 2023	<u>90,893,378</u>	<u>1,375,297</u>	<u>441,923</u>	<u>3,685,255</u>	<u>25,481</u>	<u>96,421,334</u>
At 31 August 2022	<u>85,292,479</u>	<u>563,086</u>	<u>502,777</u>	<u>2,613,337</u>	<u>32,592</u>	<u>89,004,271</u>

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **12 Tangible fixed assets (continued)**

Included within leasehold land and buildings is £90,893,378 (2022: £85,292,479) 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 £10,824,248 in the period end 31 August 2022 per a valuation in April 2022 by NPS Humber Limited.

The leasehold land and buildings at Bude Park Primary School was transferred to the trust at a value of £4,021,980 in the period end 31 August 2021 per depreciated cost recognised in the period ended 31 August 2020 Financial Statements for Bude Park Primary School.

The leasehold land and buildings at Bursar Primary Academy was transferred to the trust at a value of £7,438,902 in the period end 31 August 2023 per depreciated cost recognised in the period ended 31 March 2023 Financial Statements for Bursar Primary Academy.

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 Highlands Primary School was transferred to the trust at a value of £3,798,292 in the period end 31 August 2021 per depreciated cost recognised in the period ended 31 August 2020 Financial Statements for Highlands Primary School.

The leasehold land and buildings at Kingswood Parks Primary School was transferred to the trust at a value of £13,283,700 in the period end 31 August 2021 per depreciated cost recognised in the period ended 31 August 2020 Financial Statements for Kingswood Parks Primary 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.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 12 Tangible fixed assets (continued)

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

	2023 £	2022 £
Clothing	<u>8,394</u>	<u>8,394</u>

#### 14 Debtors

	2023 £	2022 £
Trade debtors	7,824	5,879
Prepayments	307,024	113,357
Accrued grant and other income	438,692	667,601
VAT recoverable	577,936	290,899
Other debtors	188	188
	<u>1,331,664</u>	<u>1,077,924</u>

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

	2023 £	2022 £
Trade creditors	1,689,770	1,160,513
Other taxation and social security	544,742	475,022
Other creditors	9,949	9,261
Pension scheme creditor	657,564	555,642
Loans	1,149	-
Accruals	1,599,526	1,618,488
Deferred income	311,127	230,261
	<u>4,813,827</u>	<u>4,049,187</u>

Loans of £1,149 from Salix which is provided on the following terms: The interest free loan will be repaid on a straight line basis over eight years out of the annual savings made by the new windows.



## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 15 Creditors: amounts falling due within one year (continued)

	2023 £	2022 £
<b>Deferred income</b>		
Deferred income at 1 September 2022	230,261	313,866
Resources deferred in the period	311,127	230,261
Amounts released from previous periods	<u>(230,261)</u>	<u>(313,866)</u>
Deferred income at 31 August 2023	<u>311,127</u>	<u>230,261</u>

Deferred income as at 31 August 2023 represents; Universal Infant Free School Meal income for the period September 2023 to March 2024.

#### 16 Creditors: amounts falling due in greater than one year

	2023 £	2022 £
Loans	<u>6,319</u>	<u>-</u>

Included within long term creditors is a loan of £6,319 from Salix which is provided on the following terms: The interest free loan will be repaid on a straight line basis over eight years out of the annual savings made by the new windows.

The amount repayable by instalments which falls due after more than five years is £1,724.

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

### 17 Funds

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
General Annual Grant	4,352,649	26,153,083	(26,125,518)	(1,006,108)	3,374,106
Pupil premium	-	2,466,034	(2,466,034)	-	-
Local authority funding	-	12,337,947	(12,337,947)	-	-
UIFSM	-	482,139	(482,139)	-	-
Other ESFA grants	-	2,223,032	(2,223,032)	-	-
Teacher pay and pension grants	-	46,172	(46,172)	-	-
Transfer of Restricted General Funds from existing academies into the Trust	-	255,374	(255,374)	-	-
Pension Scheme Liability	(5,453,000)	-	(997,000)	6,124,000	(326,000)
	<u>(1,100,351)</u>	<u>43,963,781</u>	<u>(44,933,216)</u>	<u>5,117,892</u>	<u>3,048,106</u>
<b>Restricted fixed asset funds</b>					
Capital grants and expenditure from GAG and donated Assets from DfE	2,356,633	1,063,959	(1,062,797)	1,574,058	3,931,853
Donated Assets from Local Authority	38,765,784	-	(870,944)	-	37,894,840
Transfer of assets and unspent capital grants from existing academies into the Trust	47,134,050	7,495,684	(1,103,000)	-	53,526,734
Donated Assets from DfE	193,950	-	-	(193,950)	-
Condition Improvement Funding	<u>1,457,241</u>	<u>-</u>	<u>(50,346)</u>	<u>-</u>	<u>1,406,895</u>
	<u>89,907,658</u>	<u>8,559,643</u>	<u>(3,087,087)</u>	<u>1,380,108</u>	<u>96,760,322</u>
Total restricted funds	88,807,307	52,523,424	(48,020,303)	6,498,000	99,808,428
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>5,930,474</u>	<u>1,529,132</u>	<u>(289,847)</u>	<u>(374,000)</u>	<u>6,795,759</u>
Total funds	<u>94,737,781</u>	<u>54,052,556</u>	<u>(48,310,150)</u>	<u>6,124,000</u>	<u>106,604,187</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

### 17 Funds (continued)

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

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted funds</b>					
<i>Restricted general funds</i>					
General Annual Grant	3,818,723	24,613,181	(23,708,336)	(370,919)	4,352,649
Pupil premium	-	2,287,728	(2,287,728)	-	-
Local authority funding	-	11,583,415	(11,583,415)	-	-
UIFSM	-	388,036	(388,036)	-	-
Other ESFA grants	-	1,242,521	(1,160,744)	(81,777)	-
Teacher pay and pension grants	-	78,730	(78,730)	-	-
Other DfE/ESFA COVID-19 funding	-	8,941	(8,941)	-	-
<i>Restricted fixed asset funds</i>					
Capital grants and expenditure from GAG and donated Assets from DfE	1,813,621	732,649	(709,808)	520,171	2,356,633
Donated Assets from Local Authority	32,154,635	10,824,248	(797,054)	(3,416,045)	38,765,784
Transfer of assets and unspent capital grants from existing academies into the Trust	48,230,439	-	(1,096,389)	-	47,134,050
Donated Assets from DfE	184,696	99,800	(90,546)	-	193,950
Condition Improvement Funding	1,157,816	190,775	(41,350)	150,000	1,457,241
<i>Pension reserve funds</i>					
Pension Scheme Liability	(37,703,000)	-	(5,674,000)	37,924,000	(5,453,000)
<b>Total restricted funds</b>	<b>49,656,930</b>	<b>52,050,024</b>	<b>(47,625,077)</b>	<b>34,725,430</b>	<b>88,807,307</b>
<i>Unrestricted general funds</i>					
Unrestricted General Funds	5,283,554	1,117,660	(253,265)	(217,475)	5,930,474
<b>Total unrestricted funds</b>	<b>5,283,554</b>	<b>1,117,660</b>	<b>(253,265)</b>	<b>(217,475)</b>	<b>5,930,474</b>
<b>Total endowment funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total funds</b>	<b>54,940,484</b>	<b>53,167,684</b>	<b>(47,878,342)</b>	<b>34,507,955</b>	<b>94,737,781</b>

## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **17 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 2023, Restricted Fixed Asset Funds had an in year deficit of £1,380,108. A transfer of £1,380,108 has been made from from Restricted General Funds into Restricted Fixed Asset Funds to cover this deficit.

During the year ended 31 August 2023, Restricted General Funds had an in year deficit of £374,000. A transfer of £374,000 has been made from from Unrestricted General Funds into Restricted General Funds to cover this deficit.

During the year ended 31 August 2022, Restricted Fixed Asset Funds had an in year deficit of £670,171. A transfer of £670,171 has been made from from Restricted General Funds into Restricted Fixed Asset Funds to cover this deficit.

During the year ended 31 August 2022, Restricted General Funds had an in year deficit of £217,475. A transfer of £217,475 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 2023 (continued)

#### 17 Funds (continued)

##### Analysis of academies by cost

Expenditure incurred by each academy during the year (excluding depreciation of £2,510,718 and including central service contributions of £1,250,773) was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2023 £	Total 2022 £
Adelaide Primary School	1,813,688	323,635	193,792	1,098,620	3,429,735	2,966,694
Broadacre Primary School	1,827,505	244,967	192,279	773,369	3,038,120	2,547,080
Bude Park Primary School	983,338	231,616	79,304	368,593	1,662,851	1,694,370
Bursar Primary Academy	493,603	80,861	20,461	135,646	730,571	-
Cambridge Park Academy	3,613,445	735,884	205,632	703,677	5,258,638	5,418,782
Christopher Pickering Primary School	2,005,219	276,871	106,773	539,179	2,928,042	3,070,307
Clifton Primary School	1,593,553	189,431	100,080	495,376	2,378,440	2,347,612
Frederick Holmes School	2,366,791	344,624	77,433	656,393	3,445,241	3,541,265
Ganton School	3,140,008	362,402	74,386	765,896	4,342,692	4,653,020
Highlands Primary School	1,839,123	240,742	104,007	658,647	2,842,519	3,040,107
Kingswood Parks Primary School	2,149,843	293,551	196,190	667,445	3,307,029	3,164,948
Maybury Primary School	1,067,685	195,913	83,591	355,012	1,702,201	1,579,492
Neasden Primary School	1,073,314	221,333	103,295	344,939	1,742,881	1,561,277
Parkstone Primary School	1,152,933	213,893	105,749	571,687	2,044,262	1,801,025
St Nicholas Primary School	736,255	135,629	54,337	244,601	1,170,822	1,180,710
Tweendykes School	3,495,365	295,092	72,683	614,585	4,477,725	5,104,410
Woodland Primary School	917,935	205,452	43,173	311,127	1,477,687	1,551,370
Central services	549,570	536,201	7,379	(22,401)	1,070,749	1,480,975
Academy Trust	<u>30,819,173</u>	<u>5,128,097</u>	<u>1,820,544</u>	<u>9,282,391</u>	<u>47,050,205</u>	<u>46,703,444</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

### 17 Funds (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Adelaide Primary School	482,507	988,492
Broadacre Primary School	763,224	997,750
Bude Park Primary School	369,742	402,852
Bursar Primary Academy	414,689	-
Cambridge Park Academy	1,065,279	865,251
Christopher Pickering Primary School	185,408	167,094
Clifton Primary School	407,755	412,626
Frederick Holmes School	221,651	326,856
Ganton School	824,465	846,610
Highlands Primary School	1,114,199	1,338,443
Kingswood Parks Primary School	731,111	870,730
Maybury Primary School	286,081	368,467
Neasden Primary School	521,948	558,141
Parkstone Primary School	401,550	573,930
St Nicholas Primary School	272,025	195,555
Tweendykes School	1,001,472	761,571
Woodland Primary School	233,396	301,679
Central services	873,363	307,076
Total before fixed assets and pension reserve	10,169,865	10,283,123
Restricted fixed asset fund	96,760,322	89,907,658
Pension reserve	(326,000)	(5,453,000)
Total	106,604,187	94,737,781

### 18 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	96,421,334	96,421,334
Current assets	6,795,759	8,194,252	338,988	15,328,999
Current liabilities	-	(4,813,827)	-	(4,813,827)
Creditors over 1 year	-	(6,319)	-	(6,319)
Pension scheme liability	-	(326,000)	-	(326,000)
Total net assets	6,795,759	3,048,106	96,760,322	106,604,187

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 18 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	-	-	89,004,272	89,004,272
Current assets	5,930,474	8,401,836	903,386	15,235,696
Current liabilities	-	(4,049,187)	-	(4,049,187)
Pension scheme liability	-	(5,453,000)	-	(5,453,000)
Total net assets	<u>5,930,474</u>	<u>(1,100,351)</u>	<u>89,907,658</u>	<u>94,737,781</u>

#### 19 Capital commitments

	2023 £	2022 £
Contracted for, but not provided in the financial statements	<u>367,556</u>	<u>-</u>

The above capital commitments relate to new LED lighting costs.

#### 20 Long-term commitments, including operating leases

##### *Operating leases*

At 31 August 2023 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	24,235	39,173
Amounts due between one and five years	<u>22,414</u>	<u>46,648</u>
	<u>46,649</u>	<u>85,821</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 3%):

	2023 £	2022 £
Amounts due within one year	75,240	97,816
Amounts due within 2 - 5 years	324,221	401,445
Amounts due over 5 years	886,121	965,737
	<u>1,285,583</u>	<u>1,464,998</u>

# Humber Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

	2023 £	2022 £
Net income	5,742,406	5,289,342
Depreciation	2,510,718	2,247,389
Capital grants from DfE and other capital income	(1,063,959)	(923,424)
Interest receivable	(54,692)	(3,437)
FRS 102 cost less contributions payable on defined benefit pension scheme	751,000	5,010,000
FRS 102 net interest on defined benefit pension scheme	246,000	664,000
(Increase)/decrease in debtors	(253,740)	182,269
Increase in creditors	770,958	1,157,850
Cash transferred on conversion to an academy trust	382,865	-
Net cash provided by Operating Activities	<u>9,031,556</u>	<u>13,623,989</u>

### 22 Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(2,432,097)	(1,285,662)
Capital grants from DfE	1,063,959	923,424
Donated fixed assets	-	(10,924,048)
Net cash outflow from capital expenditure and financial investment	<u>(1,368,138)</u>	<u>(11,286,286)</u>

### 23 Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	<u>13,988,941</u>	<u>14,149,378</u>
Total cash and cash equivalents	<u>13,988,941</u>	<u>14,149,378</u>

### 24 Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Schools transferred in £	At 31 August 2023 £
Cash	14,149,378	(543,302)	382,865	13,988,941
Loans falling due within one year	-	-	(1,149)	(1,149)
Loans falling due after more than one year	-	575	(6,894)	(6,319)
	-	575	(8,043)	(7,468)
Total	<u>14,149,378</u>	<u>(542,727)</u>	<u>374,822</u>	<u>13,981,473</u>



## **Humber Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **25 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.

There is a potential liability for Humber Education Trust relating to claims made by and on behalf of term-time only employees who allege that they have not been paid the correct amount of holiday pay following the Supreme Court decision on the Brazel vs. Harpur Trust case. There is limited legal precedence on calculating settlement figures therefore the Academy Trust are unable to reliably quantify the financial impact.

#### **26 Member 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.

#### **27 Pension and similar obligations**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by . 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 2020 and of the LGPS 31 March 2019.

Contributions amounting to £657,564 (2022 - £555,642) 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.

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

##### 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 2020. The valuation report was published by the Department for Education on 30 October 2023.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the period amounted to £2,923,111 (2022: £2,793,190).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

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

##### Local government pension schemes East Riding Pension Fund

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 2023 was £3,192,000 (2022 - £2,849,000), of which employer's contributions totalled £2,435,000 (2022 - £2,188,000) and employees' contributions totalled £757,000 (2022 - £661,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by East Riding Pension Fund.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

##### Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	3.00	4.00
Rate of increase for pensions in payment/inflation	3.00	3.10
Discount rate for scheme liabilities	<u>5.20</u>	<u>4.30</u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 27 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:

	2023	2022
<b>Retiring today</b>		
Males retiring today	21.10	20.80
Females retiring today	24.00	23.50
<b>Retiring in 20 years</b>		
Males retiring in 20 years	21.90	22.00
Females retiring in 20 years	<u>25.50</u>	<u>25.30</u>

#### Sensitivity analysis

	2023 £	2022 £
Discount rate -0.1%	1,012,000	1,101,000
Mortality assumption – 1 year increase	1,572,000	1,641,000
CPI rate +0.1%	962,000	1,014,000
Salary rate +0.1%	<u>69,000</u>	<u>153,000</u>

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

	2023 £	2022 £
Equities	29,458,000	26,686,000
Other bonds	6,955,000	4,981,000
Property	3,682,000	3,557,000
Cash	<u>819,000</u>	<u>351,000</u>
Total market value of assets	<u>40,914,000</u>	<u>35,575,000</u>

The actual return on scheme assets was (£27,000) (2022 - (£501,000)).

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

	2022/23 £	2021/22 £
Current service cost	(3,186,000)	(7,198,000)
Interest income	1,594,000	575,000
Interest cost	<u>(1,840,000)</u>	<u>(1,239,000)</u>
Total amount recognized in the SOFA	<u>(3,432,000)</u>	<u>(7,862,000)</u>

## Humber Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

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

	2022/23 £	2021/22 £
At start of period	41,028,000	71,335,000
Transferred in on existing academies joining the trust	1,255,000	-
Current service cost	3,186,000	7,198,000
Interest cost	1,840,000	1,239,000
Employee contributions	757,000	661,000
Actuarial (gain)/loss	(8,258,000)	(39,032,000)
Benefits paid	(480,000)	(373,000)
At 31 August	<u>39,328,000</u>	<u>41,028,000</u>

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

	2022/23 £	2021/22 £
At start of period	35,575,000	33,632,000
Transferred in on existing academies joining the trust	1,261,000	-
Interest income	1,594,000	575,000
Actuarial gain/(loss)	(228,000)	(1,108,000)
Employer contributions	2,435,000	2,188,000
Employee contributions	757,000	661,000
Benefits paid	(480,000)	(373,000)
At 31 August	<u>40,914,000</u>	<u>35,575,000</u>

#### 28 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. 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 2023 (continued)

### 29 Transfer of existing academies into the academy trust

#### Bursar Primary Academy

	Value reported by transferring academy trust £	Transfer in recognised £
<b>Tangible fixed assets</b>		
Leasehold land and buildings	7,438,902	7,438,902
Furniture and equipment	4,769	4,769
Computer equipment	52,013	52,013
	<u>7,495,684</u>	<u>7,495,684</u>
<b>Other assets</b>		
Debtors due in less than one year	150,427	150,427
Cash in bank and in hand	382,865	382,865
	<u>533,292</u>	<u>533,292</u>
<b>Liabilities</b>		
Creditors due in less than one year	(122,798)	(122,798)
Creditors due in more than one year	(6,894)	(6,894)
	<u>(129,692)</u>	<u>(129,692)</u>
Net assets	<u>7,899,284</u>	<u>7,899,284</u>