

**THE HAMBLIN EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Haines Watts**  
Chartered Accountants & Registered Auditors  
Bridge House  
157A Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

# THE HAMBLIN EDUCATION TRUST

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# THE HAMBLIN EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members:</b>	A Shaw R Russel-Fisher G Brady
<b>Trustees:</b>	D Battman (Chair of trustees) T Gartside *# (Accounting officer) A Shaw# J Bottomley R Green* S Forster*

\* Members of finance committee

# Subscribers to the memorandum of association

<b>Senior leadership team:</b>	<b>Altrincham Grammar School for Boys:</b>
Principal	T Gartside
Deputy head	E Hall
Assistant head	H Meadowcroft
Assistant head	S Weil
Assistant head	T Murray
Assistant head	E Thomas
CFOO (Trust)	J Jackson

Bursar J Lacon

	<b>North Cestrian School:</b>
Principal	L Bergin
Deputy head	M Bell
Pastoral Director	A Brown
CFOO (Trust)	J Jackson

Bursar J Grant

**Registered Office & Academy Site** The Hamblin Education Trust, Marlborough Road, Bowdon, Altrincham, Cheshire WA14 2RS

**Company registration number** 07484717

**Auditors** Haines Watts, Bridge House, 157A Ashley Road, Hale, Altrincham WA14 2UT

**Bankers** Lloyds, King Street, Manchester

# THE HAMBLIN EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the audited financial statements of the multi-academy trust for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates across two schools (Altrincham Grammar School for Boys and North Cestrian School), for pupils aged 11 to 18 serving a catchment area identified by post code or road. In 2017 / 2018 the academies had:-

	Pupil Capacity as @ Aug 2018	Pupil's on Roll as @ Aug 2018
Altrincham Grammar School for Boys	1,210	1,280
North Cestrian School	450	430

#### Structure, governance and management

##### Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy.

Details of the trustees who served throughout the year except as noted are included in the reference and administrative details on page 1.

The structure of governance comprises a board of trustees and two local governing bodies for Altrincham Grammar School for Boys and North Cestrian School.

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

##### Trustees' indemnities

The insurance cover provided for trustees and officers is up to £2,000,000 on any one claim.

##### Principal activities

The principal object and activity of the charitable company is the operation of Altrincham Grammar School for Boys and North Cestrian School in providing education for pupils between the ages of 11 and 18.

##### Method of recruitment and appointment or election of trustees

Two trustees are nominated by the governing bodies of Altrincham Grammar School for Boys and North Cestrian School for consideration by members. Others are drawn from the local community based on the skills and experience they can contribute to the trust board.

##### Policies and procedures adopted for the induction and training of trustees

On appointment all trustees receive an induction pack containing minutes of recent meetings, details of trust finances, the current development plans of the schools and other information relevant to the time of appointment.

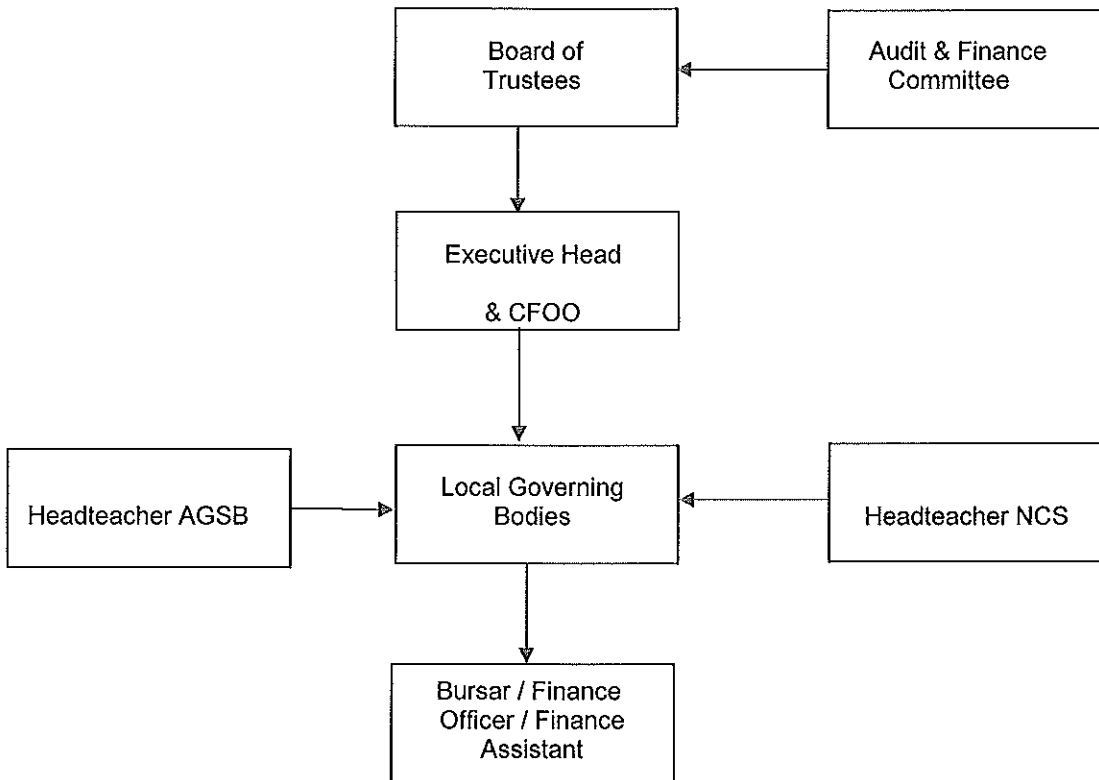
Next they meet with the executive head and chair of the trust, discuss strategic issues and how they view their role. They receive a tour of the schools seeing key issues and possibilities.

##### Training

The trust has a service level agreement with Trafford local authority for trustees' training and for training governors of the local governing bodies. All trustees (but especially new trustees) are encouraged to attend training courses relevant to their needs.

**THE HAMBLIN EDUCATION TRUST**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Organisational structure



Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay of the senior management team are in line with the School Teachers' Pay and Conditions Document. Senior leaders are paid on the Leadership Group Range as per the calculation set out in the STPCD in relation to school size. The Pay Review Committee which meets annually has approved the group ranges and pay decisions.

Pay and remuneration of all personnel within the school is based upon the performance management process. Pay increases are based upon a successful performance management review.

Senior leaders within the school have performance management targets based upon pupil progress targets and leadership and management targets.

All senior leaders, other than the head teacher, are performance managed by the head teacher. The head makes recommendations to the Pay Review Committee of the local governing body to whom decisions on remuneration at this level have been delegated by the trustee's.

The headteacher's performance management is carried out by three trustees at the school (including the chair of trustees and the vice chair of trustees), supported by the executive headteacher.

The headteacher's performance management is reviewed by trustees and the executive headteacher who then make a recommendation on pay to the trustees' Pay Review Committee. The decision on the headteacher's pay is then taken by the Pay Review Committee.

Although the school is an academy and is not obliged to follow the School Teachers Pay and Condition Document, the trustees do use the structures and recommendations within this document to inform pay decisions for all the senior leaders at the school.

# THE HAMBLIN EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### Decision making process

Decisions made are ratified by the full trustees if required by the scheme of delegation, and communicated via the executive head, CFOO (chief financial operating officer) and senior management team of the schools.

#### Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the governance statement.

#### Trade union facility time

Relevant union officials:

Number of employees who were relevant union officials during the period	FTE
5	5

% Time spent on facility time:

% of time	Number of employees
0%	1
1% - 50%	4
51% - 99%	
100%	

% of total pay paid on facility time:

Total cost of facility time	£2,678
Total payroll	£3,900,522
% of total payroll spent on facility time	0.07%

Paid trade union activities:

Time spent on paid trade union activities as a % of total paid facility time hours	0 (None Paid)
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# THE HAMBLIN EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### Related parties and other connected charities and organisations

<u>Related party</u>	<u>Disclosure</u>
<u>Trafford Community Leisure Trust &amp; Altrincham Grammar School for boys</u>	Trafford Community Leisure Trust holds the contract for the management of "The Grammar" sports facility out of school hours. The partnership was established in 2008 and in 2013 was reviewed by trustees and extended for a further five years. On 30 September 2015 the contract transferred to Trafford Leisure Trust.
<u>Altrincham Grammar School Developments Limited &amp; Altrincham Grammar School for Boys</u>	The school is related to Altrincham Grammar School Developments Limited, a company in which Mr Gartside, Mr Russel Fisher and Mr Green are directors. From time to time this company makes donations to the school for the purpose of furthering its principal objective.

#### **Objectives and activities**

##### Objects and aims

The principal object and activity of the charitable company is the operation of The Hamblin Education Trust providing education for pupils between the ages of 11 and 18.

In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

The main objectives of the academy are summarised below: -

- to ensure that each student at each school within the trust achieves his/her full potential by receiving teaching and learning opportunities of the highest standard;
- to develop the learning environment by investment in new facilities and refurbishment of existing areas;
- to promote learning within a disciplined and respectful environment; and
- to promote the personal development and well-being of all employees.

##### Objectives, strategies and activities

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Altrincham Grammar School for Boys is a selective grammar school and offers all pupils a broad curriculum. The pupils who attend live mainly in the local area although some travel from further afield.

North Cestrian School is a non-selective mixed 11 to 16 school and offers all pupils a broad curriculum. The pupils who attend live mainly within its designated catchment area although some travel from further afield.

##### Public benefit

All pupils at Altrincham Grammar School for Boys gain a place at the school based upon academic aptitude tests following the school's admissions policy which is reviewed annually. Entry is not based upon ability to pay or any criteria which discriminate against particular social groups.

All pupils at North Cestrian School gain a place based upon the admissions criteria set out within its admissions policy. The policy is reviewed annually.

The sports facilities at Altrincham Grammar School for Boys are used at the weekends and evenings by the wider community. An extensive programme of extra-curricular classes is offered to the wider community. Facilities of North Cestrian School are available for use at weekends and evenings.

# THE HAMBLIN EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### Strategic report

#### Achievements and performance:-

In 2017/18 the schools achieved examination results as follows: -

	Measure	Altrincham Grammar School for Boys % Attainment	North Cestrian % Attainment
GCSE	A* - C including English & Maths Grade 9-4	100	89
	Attainment 8	78.99	52.3
	Progress 8	.88	.27
A Level	Entries at A*/A/B	79.5	N/A
	Entries at A*	29	N/A

At GCSE level AGSB exceeded and NCS met the targets which had been set for attainment. At A Level AGSB achieved the target set for A\*/A/B and exceeded the target set for A\*.

#### Key performance indicators

These are:

- The number of applications for entry into the schools
- The progress made by the students between entry into the school and GCSE
- The attainment of pupils at GCSE level at the schools
- Attendance and retention rates at the schools
- The level of exclusions (both fixed + permanent) at the school
- At Altrincham Grammar School for Boys the progress and retention rates of students in the 6<sup>th</sup> form (16 – 19 age range)
- Both schools review their development plans which contain other KPI's
- Both schools annually review their self-evaluation documents against Ofsted criteria

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note of the financial statements.



# THE HAMBLIN EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### **Financial review**

The majority of the trust's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The trust also receives grants for fixed assets from the ESFA, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund.

During the year ended 31 August 2018, total expenditure of £9,920,000 was more than covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year for the restricted general fund was £391,000. At 31 August 2018 the net book value of fixed assets was £12,534,000. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

Under Accounting Standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the unrestricted fund. This resulted in the pension fund showing a deficit of £1,334,000 which has been carried forward to 2018/19. It should be noted that this does not present a liquidity problem for the academy and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years. If the pension deficit and related charges were taken out, the general restricted fund would show a deficit of £Nil.

Total unrestricted funds for the trust are net of a deficit of £326,000 for North Cestrian School. The deficit arose primarily from the deficit inherited on conversion. The deficit will be repaid through reduction in the amount of General Annual Grant payable to the trust by the ESFA. This shall only occur once specific surplus targets are reached.

#### Financial and risk management objectives and policies

The objective of the trust's policy is to be aware of the principal risks and to develop strategies to manage such risks through monitoring or, if necessary, direct intervention.

#### Reserves policy

The trustees review the reserve levels of the trust annually. This review encompasses the nature of the income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to 1 month of the General Annual Grant (GAG), approximately £630,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The trust's current level of free reserves (total funds less the amount held in fixed assets restricted fund) is £851,000.

#### Investment policy

Funds are held on six week and three month corporate market investments with Lloyds.

#### Principal risks and uncertainties

A review of principal risks and uncertainties highlighted reductions in GAG funding and other reductions in some streams alongside increases to paysscales, employer's national insurance and pensions contributions as the most significant risks. The trust has had to make cuts in a number of budget areas which may in the longer term affect educational standards and reduce its reserves.

# THE HAMBLIN EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### Fundraising

The trust looks to fundraising as part of their duty to maintain a high standard of education supported by funding. To raise this funding the trust will on occasion lease or hire out parts of the school buildings for various activities. This activity is performed outside of school hours and with the approval of the Finance and Estates Committees. The trust has not received any complaints relating to this fundraising over the 2017-18 period.

Any fundraising the trust undertakes for the benefit of the school fund is completely optional. This is always shared with the school community through letters and other forms of social media. The trust has not received any complaints relating to this fundraising over the 2017-18 period.

The trust through the governing board has agreed only to support legally recognised charities locally and/or nationally. Which charities are supported is reviewed each year and a limit of charities supported is agreed for each term of the academic year.

Monies raised are recorded and can be checked if requests are made.

### Fundraising approach

The academy approaches fundraising through its active Parents and Teachers' Association (PTA) group. This runs as a voluntary organisation associated with the academy that follows PTA standards. There are no direct commercial participators that work with the PTA and there have been no fundraising complaints within the period of 2017-2018. The academy monitors the fundraising carried out on its behalf in monthly meetings, with a member of SLT present, that are minuted to ensure that the PTA acts reasonably in its fundraising approaches confirming that it does not unduly pressure the community to donate.

### Plans for future periods

Trustees and local governing bodies have contributed to a Trust Vision which aims to maintain the highest standards of education whilst developing facilities for the benefit of pupils and staff. In the longer term the trust will consider further expansion of the number of schools within the trust but its immediate priority is to develop a structure of leadership and management appropriate for the two schools within the trust.

### Funds held as custodian trustee on behalf of others

These funds are held on behalf of pupils for advance payments in respect of forthcoming visits/trips and are held in a Lloyds bank account.

### Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and
- trustees reviewed the appointment of the auditors in December 2014 by going out to formal tender. The trustees decided to reappoint Haines Watts as the academy's auditor for another five years.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 31/12/18..... and signed on its behalf by:



.....  
**D Battman**  
Chair of trustees

# THE HAMBLIN EDUCATION TRUST

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Hamblin 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 the head master of each school within the trust, for ensuring that financial controls conform with the requirements of both propriety and good financial management in accordance with the requirements and responsibilities assigned to it in the funding agreement between Altrincham Grammar School for Boys and North Cestrian School 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 met 4 times during the year. Attendance during the meetings of the full board of trustees was as follows:

#### Hamblin Education Trust Attendance Record 2017-18

##### Directors meetings

	16.10.17	15.12.17	11.5.18	3.7.18
Andrew Shaw (Director/member)	✓	✓	✓	✓
Duncan Battman (Director/Chair)	✓	✓	✓	✓
Graham Brady (Member)	■	■	■	✓
Jill Bottomly (Director)	✓	✓	✓	✓
Richard Green (Director)	✓	✓	■	■
Robin Russell-Fisher (Member)	✓	■	■	■
Sharon Forster (Director)	✓	✓	✓	✓
Tim Gartside (Executive Head)	✓	✓	✓	■
John Kinney (Director)	N/A	✓	✓	✓

- ✓ Attended
- Apologies
- × Absent

The finance committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis the finances of the academy.

Attendee	Number of meetings held	Number of meetings attended
Richard Green (trustee)	3	3
Robin Russell-Fisher (member)	3	2
Sharon Forster (trustee)	3	3
Tim Gartside (trustee)	3	1

# THE HAMBLIN EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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The full board of trustees meets twice each term (once every half-term). At the first meeting of each term the executive head master presents a report on the main developments of the past few months and highlights strategic issues for discussion.

The committees in each school are:

- Estates
- Finance
- Admissions
- Personnel
- Health and safety
- Curriculum and pupil welfare

Each committee meets at least once a term to discuss agenda items, receive and discuss reports requested from teaching or administrative staff and to discuss in more detail strategic issues highlighted by the board of trustees. The outcome of such discussions is fed back to the local governing bodies and at the second trustee meeting in the term (or as required). The representative of the local governing body on the trust board reports on discussions which took place.

#### **Review of value for money**

As accounting officer, the executive head has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for 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 by:

- The trust has commissioned by competitive tender the most efficient services for accounting. It has revised staffing in its administration, estates, English and Sixth Form departments at Altrincham Grammar School for Boys, to ensure the most efficient use of resources. At North Cestrian School it has ensured efficient use of resources during a period of growth in pupil numbers.
- In 2014/2015 we responded to feedback from local primary schools about local authority ICT services and have offered our own service level agreement for maintenance of ICT systems and the purchase of ICT equipment. A total of six primary schools have decided to take advantage of the trusts ICT services up to August 2018. Our ICT staff continue to enjoy the challenge of providing such services and have enhanced their experience and skills as a result. In addition, revenue generated as a result of the services provided has come into the AGSB ICT department to improve services to our pupils.

#### **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's 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 The Hamblin Education Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

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

The board of trustees has reviewed the key risks to which the 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 trust's significant risks and that this process has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Leadership has identified key areas of strategic, financial, health and safety and reputational risk. Trustees review these areas periodically either at board or local governing body level.

**THE HAMBLIN EDUCATION TRUST**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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Staff receive regular training on days set aside for development as appropriate. Specialist staff receive regular updating on safeguarding, first aid and other health and safety issues. Staff attend courses appropriate to their roles provided by external agencies (for example, on the latest changes to legislation on HR and financial matters).

**The risk and control framework**

The trust's system of internal financial control is based on a framework of regular management information and administrative procedures including 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 committee of reports which indicate financial performance against the forecasts and of major purchases plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

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

- not to appoint an internal auditor. However, the trustees have reviewed and implemented a Trust Audit & Finance Committee whose responsibilities will include the regular independent review of Financial information and process, Risk and Compliance.
- The Audit & Finance Committee's role includes giving advice on financial matters and performs a range of checks on the academy's financial system and recommendations for improvement.

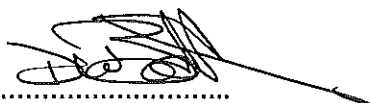
**Review of effectiveness**

As accounting officer, the executive head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

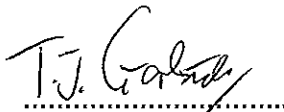
- At each full board of trustees meeting the chair of finance updates the trustees on the trust's finances and reports to them any breaches of financial regulation. We have had no breach of financial regulation in this trust. The Finance Committee within each school is familiar with and adheres to the policies and procedures set out in the ESFA Handbook.
- The Finance Committee has reviewed on a regular basis the school's financial policies, systems and procedures are compliant with the ESFA Financial Handbook and the academy's own Internal Finance Handbook. There are no significant internal control issues.
- Haines Watts carries out an annual audit of the academy's accounts. An annual audit is also conducted on the Teachers Pensions Agency contributions by Haines Watts.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses, if relevant, and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3/12/18..... and signed on its behalf by:



.....  
**D Battman**  
Chair of trustees



.....  
**T Gartside**  
Accounting officer

# THE HAMBLIN EDUCATION TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

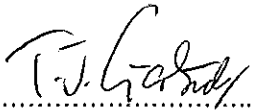
**FOR THE YEAR ENDED 31 AUGUST 2018**

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As accounting officer of The Hamblin Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



**T Gartside**  
**Accounting officer**

Date 3 December 2018

**THE HAMBLIN EDUCATION TRUST**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees (who are also the directors of The Hamblin Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

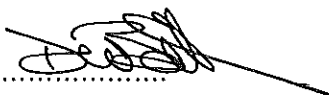
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 3/12/18 and signed on its behalf by:



.....  
**D Battman**  
**Chair of trustees**

# THE HAMBLIN EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HAMBLIN EDUCATION TRUST

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Opinion

We have audited the accounts of The Hamblin Education Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

### 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.



# THE HAMBLIN EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HAMBLIN EDUCATION TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# THE HAMBLIN EDUCATION TRUST

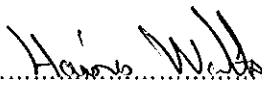
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HAMBLIN EDUCATION TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
**John Whittick BSc FCA (Senior Statutory Auditor)**  
for and on behalf of Haines Watts

**Chartered Accountants**

**Statutory Auditor**

Bridge House

Ashley Road

Hale

Altrincham

Cheshire WA14 2UT

Date: ..... 31/8/18 .....

# THE HAMBLIN EDUCATION TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HAMBLIN EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

*FOR THE YEAR ENDED 31 AUGUST 2018*

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In accordance with the terms of our engagement letter dated 8 August 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Hamblin Education Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Hamblin Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Hamblin Education Trust and 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 The Hamblin Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Hamblin Education Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Hamblin Education Trust's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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 HAMBLIN EDUCATION TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HAMBLIN EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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The work undertaken to draw to our conclusion includes:


- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

### 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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts  
Reporting Accountant

Date:  .....

# THE HAMBLIN EDUCATION TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000	Total 2017 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	68	-	263	331	408
Donations - transfer from local authority on conversion		-	-	-	-	1,206
<b>Charitable activities:</b>						
- Funding for educational operations	4	-	8,216	-	8,216	7,854
Other trading activities	5	868	-	-	868	868
Investments	6	2	-	-	2	3
<b>Total</b>		<b>938</b>	<b>8,216</b>	<b>263</b>	<b>9,417</b>	<b>10,339</b>
<b>Expenditure on:</b>						
Raising funds	7	544	-	-	544	322
<b>Charitable activities:</b>						
- Educational operations	8	223	8,607	546	9,376	9,005
<b>Total</b>	<b>7</b>	<b>767</b>	<b>8,607</b>	<b>546</b>	<b>9,920</b>	<b>9,327</b>
<b>Net income/(expenditure)</b>		<b>171</b>	<b>(391)</b>	<b>(283)</b>	<b>(503)</b>	<b>1,012</b>
Transfers between funds	17	(282)	145	137	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	19	-	374	-	374	736
<b>Net movement in funds</b>		<b>(111)</b>	<b>128</b>	<b>(146)</b>	<b>(129)</b>	<b>1,748</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		962	(1,462)	12,680	12,180	10,432
Total funds carried forward		851	(1,334)	12,534	12,051	12,180

# THE HAMBLIN EDUCATION TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	12		12,534		12,680
<b>Current assets</b>					
Stocks	13	-		12	
Debtors	14	284		468	
Cash at bank and in hand		1,468		1,657	
			<u>1,752</u>		<u>2,137</u>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(901)		(1,204)	
<b>Net current assets</b>			<u>851</u>		<u>933</u>
<b>Net assets excluding pension liability</b>			<u>13,385</u>		<u>13,613</u>
Defined benefit pension scheme liability	19		(1,334)		(1,433)
<b>Net assets</b>			<u>12,051</u>		<u>12,180</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			12,534		12,680
- Restricted income funds			-		(29)
- Pension reserve			(1,334)		(1,433)
<b>Total restricted funds</b>			<u>11,200</u>		<u>11,218</u>
<b>Unrestricted income funds</b>	17		<u>851</u>		<u>962</u>
<b>Total funds</b>			<u>12,051</u>		<u>12,180</u>

The accounts were approved by the trustees and authorised for issue on 3/12/18 and are signed on their behalf by:



D Battman  
Chair of trustees

Company Number 07484717

# THE HAMBLIN EDUCATION TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £000	£000	2017 £000	£000
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	20		(252)		358
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		2		3	
Capital grants from DfE Group		197		305	
Capital funding received from sponsors and others		66		58	
Purchase of tangible fixed assets		(202)		(320)	
<b>Net cash provided by investing activities</b>			63		46
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			(189)		404
Cash and cash equivalents at beginning of the year			1,657		1,253
<b>Cash and cash equivalents at end of the year</b>			1,468		1,657

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

##### 1.2 Going concern

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

##### 1.3 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 period 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

###### Sponsorship income

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

###### Donations

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



# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

##### 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 goods, facilities and services

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

##### Donated fixed assets

Donated fixed assets are 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.

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are 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.

#### 1.5 Tangible fixed assets and depreciation

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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years (excluding land)
Computer equipment	3 years
Fixtures, fittings & equipment	4 years
Motor vehicles	4 years

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.

#### 1.6 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.

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 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. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

#### 1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

##### 1.10 Taxation

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

##### 1.11 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

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

##### 1.12 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 Education and Skills Funding Agency/Department for Education.

##### 1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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

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

##### Critical accounting estimates and assumptions

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

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	197	197	305
Other donations	68	66	134	103
	<u>68</u>	<u>263</u>	<u>331</u>	<u>408</u>

#### 4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	7,870	7,870	7,656
Other DfE group grants	-	227	227	97
	<u>-</u>	<u>8,097</u>	<u>8,097</u>	<u>7,753</u>
<b>Other government grants</b>				
Local authority grants	-	119	119	101
	<u>-</u>	<u>119</u>	<u>119</u>	<u>101</u>
<b>Total funding</b>	<u>-</u>	<u>8,216</u>	<u>8,216</u>	<u>7,854</u>

Local authority grants are in respect of High Needs funding.

There were no unfulfilled conditions or other contingencies in respect of government grant funding.

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	23	-	23	21
Catering income	163	-	163	146
Other income	682	-	682	701
	<u>868</u>	<u>-</u>	<u>868</u>	<u>868</u>

### 6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	<u>2</u>	<u>-</u>	<u>2</u>	<u>3</u>

### 7 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2018 £000	Total 2017 £000
Expenditure on raising funds	-	-	544	544	322
Academy's educational operations					
- Direct costs	5,842	241	686	6,769	6,498
- Allocated support costs	1,345	800	462	2,607	2,507
	<u>7,187</u>	<u>1,041</u>	<u>1,692</u>	<u>9,920</u>	<u>9,327</u>

#### Net income/(expenditure) for the year includes:

	2018 £000	2017 £000
Fees payable to auditor for:		
- Audit	12	12
- Other services	14	17
Operating lease rentals	3	3
Depreciation of tangible fixed assets	348	295
Net interest on defined benefit pension liability	27	40

#### Central services

The academy trust has incurred expenditure on the following central services on behalf of its academies during the year:

- legal and professional services
- wage and salary costs of CFOO.

No amounts in respect of these costs were recharged to the academies during the period.

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 8 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
<b>Direct costs</b>				
Educational operations	-	6,769	6,769	6,498
<b>Support costs</b>				
Educational operations	223	2,384	2,607	2,507
	<u>223</u>	<u>9,153</u>	<u>9,376</u>	<u>9,005</u>
<b>Analysis of costs</b>			<b>2018</b>	<b>2017</b>
			<b>£000</b>	<b>£000</b>
<b>Direct costs</b>				
Teaching and educational support staff costs			5,820	5,508
Staff development			22	22
Depreciation			241	252
Technology costs			47	52
Educational supplies and services			409	359
Examination fees			134	175
Educational consultancy			44	43
Other direct costs			52	87
			<u>6,769</u>	<u>6,498</u>
<b>Support costs</b>				
Support staff costs			1,345	1,236
Depreciation			107	43
Maintenance of premises and equipment			196	198
Cleaning			163	165
Energy costs			194	166
Rent, rates and other occupancy costs			92	106
Insurance			48	46
Security and transport			9	14
Catering			240	229
Interest on defined benefit pension scheme			27	40
Other support costs			139	166
Governance costs			47	98
			<u>2,607</u>	<u>2,507</u>

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2018 £000	2017 £000
Wages and salaries	5,496	5,105
Social security costs	525	493
Pension costs	1,107	1,060
Staff costs	7,128	6,658
Agency staff costs	36	86
Staff development and other staff costs	23	22
Total staff expenditure	7,187	6,766

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	105	109
Administration and support	82	77
Management	12	11
	199	197

#### Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £950,000 (2017 - £707,000).

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees remuneration was as follows:

T Gartside (principal and trustee) £100,001 - £105,000 (2017: £100,001 - £105,000)

The value of trustees pension contributions was as follows:

T Gartside (principal and trustee) £15,001 - £20,000 (2017: £15,001 - £20,000)

During the year ended 31 August 2018, travel and subsistence expenses totaling £20 (2017 - £Nil) were reimbursed to 1 (2017 - 0) trustee. Related party transactions involving the trustees are set out in the related parties note.

#### 11 Trustees and officers insurance

North Cestrian School and Altrincham Grammar School for Boys have 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 unlimited cover. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

#### 12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2017	13,621	497	424	52	14,594
Additions	-	27	169	6	202
At 31 August 2018	13,621	524	593	58	14,796
<b>Depreciation</b>					
At 1 September 2017	1,262	238	369	45	1,914
Charge for the year	207	107	28	6	348
At 31 August 2018	1,469	345	397	51	2,262
<b>Net book value</b>					
At 31 August 2018	12,152	179	196	7	12,534
At 31 August 2017	12,359	259	55	7	12,680

The net book value of land and buildings comprises £10,878,000 freehold and £1,481,000 long leasehold.



# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Stocks	2018 £000	2017 £000
Educational supplies	-	12
	<u>          </u>	<u>          </u>
14 Debtors	2018 £000	2017 £000
Trade debtors	6	4
VAT recoverable	100	64
Other debtors	-	2
Prepayments and accrued income	178	398
	<u>          </u>	<u>          </u>
	284	468
	<u>          </u>	<u>          </u>
15 Creditors: amounts falling due within one year	2018 £000	2017 £000
Trade creditors	203	421
Other taxation and social security	133	122
Other creditors	405	496
Accruals and deferred income	160	165
	<u>          </u>	<u>          </u>
	901	1,204
	<u>          </u>	<u>          </u>
16 Deferred income	2018 £000	2017 £000
Deferred income is included within:		
Creditors due within one year	-	10
	<u>          </u>	<u>          </u>
Deferred income at 1 September 2017	10	18
Released from previous years	(10)	(18)
Resources deferred in the year	-	10
	<u>          </u>	<u>          </u>
<b>Deferred income at 31 August 2018</b>	<u>          </u>	<u>          </u>

Deferred income comprises £Nil (2017 - £10,000) in respect of reimbursements from the ESFA in advance.

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(57)	7,870	(8,028)	215	-
Other DfE / ESFA grants	28	227	(185)	(70)	-
Other government grants	-	119	(119)	-	-
Pension reserve	(1,433)	-	(275)	374	(1,334)
	<u>(1,462)</u>	<u>8,216</u>	<u>(8,607)</u>	<u>519</u>	<u>(1,334)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	10,881	-	(172)	-	10,709
DfE group capital grants	1,230	197	(192)	(13)	1,222
Capital expenditure from GAG	270	-	(74)	150	346
Private sector capital sponsorship	299	66	(108)	-	257
	<u>12,680</u>	<u>263</u>	<u>(546)</u>	<u>137</u>	<u>12,534</u>
<b>Total restricted funds</b>	<u>11,218</u>	<u>8,479</u>	<u>(9,153)</u>	<u>656</u>	<u>11,200</u>
<b>Unrestricted funds</b>					
General funds	<u>962</u>	<u>938</u>	<u>(767)</u>	<u>(282)</u>	<u>851</u>
<b>Total funds</b>	<u>12,180</u>	<u>9,417</u>	<u>(9,920)</u>	<u>374</u>	<u>12,051</u>

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Included within transfers out of unrestricted general funds was an amount of £40,000 transferred to restricted general funds in order to prevent that fund going into deficit in respect of North Cestrian School.

Included within transfers in to restricted fixed asset funds was £148,000 transferred from restricted general funds in order to cover the remaining depreciation charge in the year.

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

Included within unrestricted funds is a deficit balance of £326,000 in respect of North Cestrian School, arising primarily from a deficit brought over on conversion. The actions being taken by the trust to return these funds to surplus are detailed in the trustees report.

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	42	7,656	(7,869)	114	(57)
Other DfE / ESFA grants	45	97	(142)	28	28
Other government grants	-	101	(101)	-	-
Other restricted funds	-	31	(31)	-	-
Pension reserve	(1,897)	-	(272)	736	(1,433)
	<u>(1,810)</u>	<u>7,885</u>	<u>(8,415)</u>	<u>878</u>	<u>(1,462)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	9,563	1,490	(172)	-	10,881
DfE group capital grants	1,047	305	(38)	(84)	1,230
Capital expenditure from GAG	291	-	(62)	41	270
Private sector capital sponsorship	264	58	(23)	-	299
	<u>11,165</u>	<u>1,853</u>	<u>(295)</u>	<u>(43)</u>	<u>12,680</u>
<b>Total restricted funds</b>	<u>9,355</u>	<u>9,738</u>	<u>(8,710)</u>	<u>835</u>	<u>11,218</u>
<b>Unrestricted funds</b>					
General funds	<u>1,077</u>	<u>601</u>	<u>(617)</u>	<u>(99)</u>	<u>962</u>
<b>Total funds</b>	<u>10,432</u>	<u>10,339</u>	<u>(9,327)</u>	<u>736</u>	<u>12,180</u>

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	42	15,526	(15,897)	329	-
Other DfE / ESFA grants	45	324	(327)	(42)	-
Other government grants	-	220	(220)	-	-
Other restricted funds	-	31	(31)	-	-
Pension reserve	(1,897)	-	(547)	1,110	(1,334)
	<u>(1,810)</u>	<u>16,101</u>	<u>(17,022)</u>	<u>1,397</u>	<u>(1,334)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	9,563	1,490	(344)	-	10,709
DfE group capital grants	1,047	502	(230)	(97)	1,222
Capital expenditure from GAG	291	-	(136)	191	346
Private sector capital sponsorship	264	124	(131)	-	257
	<u>11,165</u>	<u>2,116</u>	<u>(841)</u>	<u>94</u>	<u>12,534</u>
<b>Total restricted funds</b>	<u>9,355</u>	<u>18,217</u>	<u>(17,863)</u>	<u>1,491</u>	<u>11,200</u>
<b>Unrestricted funds</b>					
General funds	<u>1,077</u>	<u>1,539</u>	<u>(1,384)</u>	<u>(381)</u>	<u>851</u>
<b>Total funds</b>	<u>10,432</u>	<u>19,756</u>	<u>(19,247)</u>	<u>1,110</u>	<u>12,051</u>

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 17 Funds

##### Total funds analysis by academy

	2018	2017
	£000	£000
Fund balances at 31 August 2018 were allocated as follows:		
North Cestrian School	(326)	(331)
Altrincham Grammar School for Boys	1,236	1,275
Central services	4	(11)
	<u>914</u>	<u>933</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	12,534	12,680
Pension reserve	(1,334)	(1,433)
	<u>12,114</u>	<u>12,180</u>
Total funds		

##### Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£000	£000	£000	£000	£000
North Cestrian School	1,465	722	654	48	2,889
Altrincham Grammar School for Boys	3,615	1,313	1,492	496	6,916
	<u>5,080</u>	<u>2,035</u>	<u>2,146</u>	<u>544</u>	<u>9,805</u>

#### 18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£000	General £000	Fixed asset £000	£000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	12,534	12,534
Current assets	1,752	-	-	1,752
Creditors falling due within one year	(901)	-	-	(901)
Defined benefit pension liability	-	(1,334)	-	(1,334)
	<u>851</u>	<u>(1,334)</u>	<u>12,534</u>	<u>12,051</u>
Total net assets				

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General      Fixed asset £000          £000		Total Funds £000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	12,680	12,680
Current assets	2,166	(29)	-	2,137
Creditors falling due within one year	(1,204)	-	-	(1,204)
Defined benefit pension liability	-	(1,433)	-	(1,433)
<b>Total net assets</b>	<b>962</b>	<b>(1,462)</b>	<b>12,680</b>	<b>12,180</b>

### 19 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 Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £105,000 (2017 - £107,000) were payable to the schemes at 31 August 2018 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 19 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £676,000 (2017: £648,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed employers contribution rates for future years are 17.2% in North Cestrian School and 17% in Altrincham Grammar School for Boys. The agreed contribution rate for employees is 5.5-12.5%.

The estimated value of employer contributions for the coming year is £176,000.

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

Total contributions made	2018 £000	2017 £000
Employer's contributions	176	169
Employees' contributions	61	58
Total contributions	<u>237</u>	<u>227</u>

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 19 Pension and similar obligations

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.2	3.2
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5

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

	2018 Years	2017 Years
Retiring today		
- Males	21.5	21.5
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.7	23.7
- Females	26.2	26.2

Scheme liabilities would have been affected by changes in assumptions as follows:

Altrincham Grammar School for Boys :

Change in assumptions at 31 August 2018	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	11%	414
0.5% increase in the salary increase rate	1%	52
0.5% increase in the pension increase rate	9%	358

North Cestrian School :

Change in assumptions at 31 August 2018	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	24%	82
0.5% increase in the salary increase rate	0%	-
0.5% increase in the pension increase rate	24%	82

The academy trust's share of the assets in the scheme	2018 Fair value £000	2017 Fair value £000
Equities	1,959	1,862
Bonds	461	408
Other assets	259	128
Property	201	153
Total market value of assets	2,880	2,551

The actual return on scheme assets was £144,000 (2017: £253,000).



# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations

Amount recognised in the statement of financial activities	2018 £000	2017 £000
Current service cost	424	401
Interest income	(78)	(44)
Interest cost	105	84
Total operating charge	<u>451</u>	<u>441</u>
<b>Changes in the present value of defined benefit obligations</b>		<b>2018 £000</b>
At 1 September 2017		3,984
Current service cost		424
Interest cost		105
Employee contributions		61
Actuarial gain		(308)
Benefits paid		(52)
At 31 August 2018		<u>4,214</u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>		<b>2018 £000</b>
At 1 September 2017		2,551
Interest income		78
Actuarial gain		66
Employer contributions		176
Employee contributions		61
Benefits paid		(52)
At 31 August 2018		<u>2,880</u>

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 20 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2018 £000	2017 £000
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(503)	1,012
Adjusted for:		
Net surplus on conversion to academy	-	(1,206)
Capital grants from DfE/ESFA and other capital income	(263)	(363)
Investment income receivable	(2)	(3)
Defined benefit pension costs less contributions payable	248	232
Defined benefit pension net finance cost	27	40
Depreciation of tangible fixed assets	348	295
Decrease/(increase) in stocks	12	(12)
Decrease/(increase) in debtors	184	(338)
(Decrease)/increase in creditors	(303)	985
Stocks, debtors and creditors transferred on conversion	-	(284)
<b>Net cash (used in)/provided by operating activities</b>	<b>(252)</b>	<b>358</b>

### 21 Contingent liabilities

£120,000 was spent by Sodexo in the year to 31 August 2012 on the refurbishments for the 6th form area and the main dining hall. If the contracted terms have not been met within 10 years there is a possible clawback of this donation on a reducing basis over time.

### 22 Commitments under operating leases

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

	2018 £000	2017 £000
Amounts due within one year	20	11
Amounts due in two and five years	18	16
	<u>38</u>	<u>27</u>

# THE HAMBLIN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 23 Related party transactions

#### Expenditure related party transactions

Governors who are also members of the staff of the academy have been paid in accordance with national agreed levels as members of staff.

During the year the trust received a donation of £92,774 (2017 - £79,532) from Altrincham Grammar School Development Limited, a company in which Mr Gartside, Mr Green and Mr Russel-Fisher are directors. At the year end an amount of £98,136 (2017 - £58,378) was due from that company and included in debtors.

In entering into these transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2017. All transactions involving such organisations are conducted at arms length.

### 24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

### 25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £13,723 (2017 - £15,189) and disbursed £38,816 (2017 - £2,964) from the fund. An amount of £23,633 (2017 - £48,726) is included in other creditors relating to undistributed funds that are repayable to the ESFA.