

**RICHARD HUISH TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**Members** D Alexander as Chair of Richard Huish College (appointed 1 September 2017)  
P White  
J Langdon as Vice-chair of Richard Huish College (appointed 1 May 2018)  
The Bath and Wells Diocesan Board of Education Trust as represented  
by T Gale to 30 April 2018 and H Fenn from 1 May 2018

**Trustees** J Abbott, Chief Executive Officer<sup>1</sup>  
G Adams<sup>1</sup>  
M Braund  
C Christie (appointed 20 February 2018)<sup>1</sup>  
P Cooper (resigned 22 November 2017)  
S Flack (resigned 31 January 2018)  
D Griffin<sup>1</sup>  
L Heath  
C Ormrod<sup>1</sup>  
D Pearce (resigned 24 January 2018)  
V Holbrook

<sup>1</sup> Finance and Audit Committee

**Company registered  
number** 09320523

**Company name** Richard Huish Trust

**Principal and registered  
office** Richard Huish College  
South Road  
Taunton  
Somerset  
TA1 3DZ

**Accounting officer** J Abbott

**Independent auditors** Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 2 primary and 1 secondary academies in the Taunton area of Somerset. Its academies have a combined published pupil capacity of 1,379 and had a roll of 899 in the school census on 31 January 2017.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

The Trustees of Richard Huish Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company operates as Richard Huish Trust and has three school members; The Taunton Academy; West Buckland Primary School and North Curry CofE Primary school.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

**Members' liability**

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

**Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	<b>2</b>
Full-time equivalent employee number	<b>0</b>

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	<b>1</b>
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time**

Total cost of facility time	<b>£ 1,000</b>
Total pay bill	<b>£ 3,299,446</b>
Percentage of total pay bill spent on facility time	<b>0 %</b>

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	<b>0 %</b>
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**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the

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

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Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10m.

## **TRUSTEES**

### **Method of Recruitment and Appointment or Election of Trustees**

The Trust shall have the following Trustees as set out in its Articles of Association:

- No less than three Trustees, with no maximum.
- Up to 5 Trustees appointed under Article 50 by Members.
- Up to 2 Trustees appointed under Article 50A by the Bath and Wells BDE Trust
- the Chief Executive Officer.
- A minimum of two Parent Trustees (unless there are Local Governing Bodies which include at least two parent governors).
- The Trust may also have any co-opted Trustee appointed by the Trustees. A Co-opted Trustee means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Trust would exceed one third of the total number of Trustees including the CEO.

The term of office for any Trustee shall be four years, except that this time shall not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for the new Trustees will depend on their existing experience. All Trustees are provided with copies of policies, procedures, minutes and accounts, budgets and other documents that they will need to undertake their role as Trustees.

### **Organisational Structure**

The Trust is comprised and governed by:

The four Members who guarantee the liabilities of the Trust and review its strategic direction.

The eight Board Trustees who are responsible for, and oversee, the management and administration of the Trust and the schools run by the Trust. The Board normally meets once each term. The Board establishes an overall framework for the governance of the Trust and determines responsibilities, terms of reference and procedures for its sub-committees. It receives reports including policies from sub-committees for ratification. It monitors the activities of the committees through the minutes of their meetings.

There is one main sub-committee which meets termly: Finance and Audit Committee.

The Board has established a pay policy which sets out clearly the basis on which decisions about pay progression for the Headteachers, senior employees and leaders of the Trust will be determined.

Local Governing Bodies are in place for each school within the Trust who are responsible for, subject to the provisions of the Scheme of Delegation, the day to day management and administration of each respective school.

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

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A Scheme of Delegation has been approved detailing the relative responsibilities of the Board of Trustees, its sub-committee and Local Governing Bodies. The Scheme of Delegation provides clarity to Local Governing Bodies on the extent of their rights, responsibilities, authority and powers and provides a framework within which they interact and work with the other governance aspects of the Trust.

The Trustees have devolved responsibility for the day to day management of the Trust to the CEO, Chief Finance Officer and Local Governing Bodies.

A revised version of Articles of Association was adopted by RHT Members in May 2018 to enable voluntary controlled Church of England Schools to join the Trust from 1st May 2018 (North Curry CofE).

In adopting the new RHT Articles of Association and the Bath and Wells Diocese Memorandum of Understanding from 1st May 2018 the key changes to the RHT Trust were as follows:

- 25% Diocesan representation at Member level
- 25% Diocesan representation at Trustee/Director level
- 25% Diocesan representation at Local Governing Body level for Church of England Academies.

The CEO is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Board has established a pay policy which sets out clearly the basis on which decisions about pay progression for the Headteachers, senior employees and leaders in the Trust will be determined.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings. Their remuneration is benchmarked against similar roles found elsewhere within academies of a similar size and constitution.

All the Trustees give their time freely.

**Connected Organisations, including Related Party Relationships**

Richard Huish Trust is sponsored by Richard Huish College. The role of the sponsor is to share its educational experience, develop the educational vision for the Trust and support and assist the Trust and its schools.

Related party transactions are detailed in Note 27 to the accounts. Richard Huish College provides a range of back office services to the Trust. The Trust Chief Executive Officer and Chief Finance Officer roles are also provided by the Principal and Chief Executive and Vice Principal Finance of Richard Huish College.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing academies, offering a broad and balanced range of curriculum.

The principal aim of the Trust is: 'To create an environment which enables our partners to deliver exceptional education'.

The Trust's values, as set out below, underpin the delivery of the Trust's strategic vision:

- We have a culture that cares for the individual and promotes inclusivity, equality and mutual respect.
- We strive to add value and achievement beyond what might be expected.
- Students are at the centre of everything we do.
- We work collaboratively and constructively as a team in order to best serve the local and wider community.
- We are determined and rigorous in our pursuit of educational excellence.
- Honesty and integrity are central to our work.

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

The Trust's values are underpinned by the following strategic objectives:

- Maintain and seek further improvements in student outcomes through highly effective teaching, learning and curriculum delivery across all areas of the Trust.
- Explore and develop new partnerships and members of the Trust in order to maximise efficiencies and drive up wider standards.
- Through an expanded Trust membership, take advantage of the educational benefits, for all students, of an 'all through' educational provision.
- Grow a talent base of experienced educational experts that can be deployed to support and improve the educational experience of students within and outside of the Trust.
- Establish financial sustainability and stability for the Trust and its member institutions.
- Create and deliver a teaching and learning infrastructure to ensure that all students within the Trust are taught in state of the art accommodation and have access to appropriate IT.
- Ensure clear lines of accountability and responsibility remain through the growing membership of the Trust.

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our Academy Trust Development Plans which are available. Improvement focuses identified for this year include:

- a focus on improving attainment in Maths and English,
- continued development of systems for tracking and monitoring pupil attainment.
- improve SEND students' progress by interventions and support,
- to support disadvantaged students to achieve, building resilience and self-belief
- a continued drive to improve the outcomes at KS1 and KS2
- to ensure that the new Nerrols Primary School opens as planned and delivers high quality education from its first day.
- continue to build school improvement capacity, particularly around primary phase.
- make improvements to the quality of buildings within the Trust through one or more successful application to the Condition Improvement Fund.
- development and embedding of key financial and administrative procedures arising from conversion.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

**STRATEGIC REPORT**

**Achievements and Performance**

	Yr 6	RWM*	READING		WRITING TA		MATHS		GPS	
School	Cohort	≥Exp	Avg. SS	≥Exp	≥Exp	GDS	Avg. SS	≥Exp	Avg. SS	≥Exp
<b>North Curry CofE VC Primary School</b>	21	52.4%	106.9	71.4%	71.4%	19.0%	101.8	52.4%	107.9	76.2%
<b>West Buckland Community Primary School</b>	9	55.6%	106.9	88.9%	100.0%	33.3%	103.4	66.7%	104.6	77.8%

**NOTES:**

≥Exp: Scaled score of 100 or higher in tested subjects and performance category of EXS or GDS in Writing TA  
Avg SS: Average (mean) scaled score across all pupils with a scaled score

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

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<b>The Taunton Academy</b>	
Attainment 8	36.64
Progress 8	-0.6
Basics (4+)	50%
Basics (5+)	23%
5ACEM (4+)	42.72%
5AC (4+)	44.6%
Pass Rate (number of grades at 4+)	54.6%
Progress 8	-0.6

#### Key Trust Achievements

- The Taunton Academy continued to secure improvements in its performance in key areas supported by two successful Ofsted monitoring visits through the course of the year. There is a clear trajectory for an improved Ofsted outcome following a full inspection in the 2018-19 academic year.
- The Taunton Academy has also successfully stabilised its financial performance and management, placing it well in relation to its continued growth. Current pupil numbers are largely in line with the recovery plan however there is increasing evidence that demand for places at the school is increasing. As a result the school has developed a clear growth plan for the coming period.
- Richard Huish Trust (RHT) successfully welcomed two new Primary Schools following a protracted period of negotiations with the Regional Schools Commissioner. Both of these schools have adopted key Trust functioning and are set to contribute to the strategic direction and development of RHT in 2018-19.
- Successfully secured two MAT Development and Improvement Fund grants. One specifically to support the work at The Taunton Academy the other to support the growth of the Trust as new schools join RHT.
- Successfully secured the services of two Assistant CEOs to support the work of the CEO, specifically in the areas of Secondary and Primary School Improvement.
- We also secured a commitment from North Town Primary School, a large and successful school with a nursery in the centre of Taunton, to join RHT early in 2019.
- RHT was also successful in a bid for a new free school in Taunton (Nerrols Primary School) which will sit within the catchment of The Taunton Academy and will also allow support for the Trust's expansion strategy.
- We have also extended and further developed our Trust back room services in order to support our new schools in the areas of IT provision, HR advice, payroll, financial management and estate management/development.

#### Key Performance Indicators

The Trust is committed to developing a range of Key Performance Indicators to ensure that it continues to meet the performance expectations of key stakeholders and can access national benchmarking information as part of its wider work on improving efficiency and demonstrating best-value.

The Trust was successful in securing Multi-Academy Trust Development and Improvement Fund (MDIF) grant in 2017/18. A condition of securing the grant is that we undertake an independent review of each school to establish their resourcing efficiency compared to national benchmarks. The official title of the review is 'Integrated Curriculum and Financial Planning (ICFP). We will use the outcome of this exercise to establish a range of KPIs that help Directors prioritise their oversight of the efficient deployment of resources across all Trust schools.

In the year 2017/18 95% of our General Annual Grant (GAG) (2016/17 91%) was spent on staff costs. Income from other DfE Group sources increased by £324K in the year, a significant proportion of which was spent on staffing and goes to explaining the 4% increase in our staff costs in year. Comparing direct delivery costs to all income received in year (net of conversion income relating to new joiners) the proportion was 78% (2016/17 77%), the support costs proportion declined to 32% (2016/17 40%).



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

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When comparing GAG to total income the 2017/18 ratio was 83% (2016/17 91%), the in-year movement being explained by the DfE Group income outlined above and an increase of £59K in other non-GAG income.

Pupil numbers at The Taunton Academy increased by 39 to 636 (October 2017 census), given that DfE GAG is based on pupil numbers the school will see an increase in grant for the 2018/19 year.

Our ratio of current assets to current liabilities (current ratio) improved to 1.38:1 (2016/17 1.37:1). Cash holdings at the year-end were £427K (2016/17 £277K). Net assets at the year-end were £5,589K (2016/17 £4,739K), the improvement being attributable in the main to an increase in tangible fixed assets arising from in-year transfers on conversion of £1M and unrestricted credit balance transfers on conversion of £117K being offset by a £215K increase in Defined benefit pension scheme liability.

**Going Concern**

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

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2018, the Academy received total income of £4,907,755 and incurred total expenditure of £4,629,345. The excess of income over expenditure for the year was £278,410.

At 31 August 2018 the net book value of fixed assets was £8,967,400 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets relating to West Buckland Primary School and North Curry CofE Primary School were transferred in-year to the Trust upon conversion with a value of £1M.

The balance of the former schools' budget share of £116,696 was transferred across on conversion and is shown as Unrestricted Funds.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Regulations, Anti-Bribery and Corruption and Anti-Fraud, Gifts and Hospitality, Charging and Remissions policies.

**Reserves Policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

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

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The Trustees have determined that, in the short to medium term, the appropriate level of free reserves should be approximately £250K. 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 beyond that allowed for within a school's agreed annual budget,
- short-term in-year budget deficits being incurred by one or more of our schools (where there is a clear plan for revenue surpluses in future years),
- priority asset purchases by schools where a contribution in part or in full may be required and the school has insufficient retained reserves to meet that requirement,
- a materially significant change in pupil recruitment that requires support either by cushioning the impact on staffing through a falling pupil role where there is clear evidence of growth in future years or,
- supporting a school to manage the impact of pupil growth through the lagged funding model.

Trustees have set out in policy how they expect to generate the cleared funds outlined above. They recognise that achieving a balance of £250K will be challenging in the short term given the deficit being carried by the largest Trust school, The Taunton Academy, but nonetheless are committed to generating the central reserve as a means of protecting its schools from the risks outlined above.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**Investment Policy**

All investments are made in accordance with the policy of the Trust. The Trust's policy on investments is one of minimum risk, with all investments being held by the Trust's bankers. Investments are made with regard to Charity Commission guidance in relation to investments.

**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

- The financial impact of future changes to funding levels from the DfE.
- A decrease in pupil numbers or not hitting growth targets.
- The impact of the lagged funding approach where its schools can see significant future growth.
- Failure to meet academic targets including the outcome of Ofsted inspections.
- Failing to meet its loan repayment obligations with the DfE.
- Recruiting and retaining teaching and other staff within a highly competitive marketplace.

Mitigating actions have been identified to address these risks.

The Academy has considerable reliance on continued Government funding through the ESFA. In 2017/18 95% (2016/17 95%) of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The Trust has robust budget setting procedures that allow for multiple income and resources scenarios to be developed that model the impact of different funding levels. This approach allows for informed decisions on resourcing levels to be made should our core funding deviate from expectations. In addition, the Trust produces regular financial reports that are used to ensure that income targets are being met and that resource allocations are not being overspent.

The Trust has invested in its financial management capacity and processes to ensure that it can support schools that are faced with potential financial challenges brought about either through reduced recruitment of pupils or not achieving planned growth targets. Where Trustees can see a clear strategy for managing the financial risk

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

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related to pupil number shortfalls it will support the school in the short term by allowing it to set a budget deficit with the proviso that future pupil number targets, once agreed, are met or that costs are reduced to bring budgets back into surplus.

The Taunton area is expecting considerable demographic growth over the coming years, this is likely to have a direct impact on The Taunton Academy (TTA) as other Taunton secondary schools are near to capacity. New house building is adding to this increased demographic in the area surrounding the school. The school has been able to accommodate the current increases from existing budgets however this is likely to be unsustainable in the medium term. Our financial modelling is testing the impact of increased pupil recruitment on teaching and support costs to predict at what point lagged funding will make resourcing growth unachievable. This will allow us to open an evidenced-based dialogue with the ESFA on future funding.

TTA was inspected in February 2018 with an overall judgement of Requires Improvement, an improvement on the previous inadequate judgement. Leadership and management was given a good grade in recognition of the impact of the improvements introduced by management and senior team of the school. TTA received a grant in-year for school improvement, this has enabled the senior team to bring forward strategies for improvement. The school has developed a School Improvement Plan to address the areas for improvement outlined by Ofsted and is confident that sustained improvement in pupil attainment is achievable. Our two Primary schools have a track record of good/outstanding Ofsted judgements.

TTA is recovering from a period of significant financial weakness. A loan of £450K was secured in the autumn of 2017 from the ESFA the repayments for which start in September 2018. Financial forecasts have been prepared that deliver sufficient surplus to meet the loan repayments with the proviso that growth in pupil numbers is manageable under the lagged funding model as outlined above. Should this prove not to be the case the Trust would look to the ESFA for support either through an extension to the current 3-year term or removing the school from the prevailing lagged funding arrangements.

The recruitment of high-quality teaching staff is a sector-wide issue. Our Trust schools recruitment experiences mirror the national picture. We mitigate against this risk by continuing to follow the nationally agreed salary structure for teaching and support staff for schools. In addition, as the Trust expands, we will be able to offer greater opportunity for teaching staff to broaden their experiences by taking on cross-Trust responsibilities.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings and financial management reports on a monthly basis. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

### **FUNDRAISING**

Richard Huish Trust was awarded Nerrols Primary and Nursery Free School, due to open in September 2019. Nerrols Primary will start as a small primary school, building to a maximum of 420 places over the following years. It is a two-storey building situated on the site between Nerrols Drive and Bossington Drive off the Venture Way roundabout. The 2.7 acre site includes a 3G sports pitch, hard and soft play areas, a 28 place nursery and parking for staff and visitors, as well as full access for those with disabilities.

The Trust is also in discussion with a number of other schools about joining the Trust.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

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

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**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 14 December 2018 and signed on the board's behalf by:

**G Adams  
Chair of Trustees**

## **GOVERNANCE STATEMENT**

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### **SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Richard Huish 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 Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Richard Huish Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### **GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Abbott, Chief Executive Officer	5	6
G Adams	6	6
M Braund	2	6
C Christie	2	3
S Flack	1	2
D Griffin	6	6
L Heath	4	6
C Ormrod	4	6
D Pearce	0	2
V Holbrook	5	6

#### **Key changes in the composition of the Board of Trustees:**

The membership of the Board of Trustees was stable during 2017-18 with two resignations and one appointment. From 1st May 2018 both Guy Adams and Mark Braund were re-designated as DBE Trustees, and were appointed by the Bath and Wells Diocesan Board of Education (DBE).

A revised version of Articles of Association was adopted by Members in May 2018 to enable voluntary controlled Church of England Schools to join the Trust from 1st May 2018 (North Curry CofE).

In adopting the new RHT Articles of Association and the Bath and Wells Diocese Memorandum of Understanding from 1st May 2018 the key changes to the Trust were as follows:

- 25% Diocesan representation at Member level
- 25% Diocesan representation at Director level
- 25% Diocesan representation at Local Governing Body level for Church of England Academies.

From 1st May 2018, the RHT Members membership under Article 12 was amended to:

- Helen Fenn, the Bath and Wells DBE Trust acting corporately by hand of its directors,
- Duncan Alexander, the Chair of the Richard Huish College Governing Body,
- Jonathan Langdon, the Vice-chair of the Richard Huish College Governing Body, and
- Philip White, any person appointed under Articles 16, 16A or 16B.

The revised RHT Articles of Association were approved by the DfE and the DBE with the agreed ratio of DBE approved (Foundation) Members, Trustees/Directors and LGB Governors.

During 2017-18, the Board's work included the following:

- the revised structure of the Trust and growth development,

**GOVERNANCE STATEMENT (continued)**

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- the appointment of two Assistant CEOs – Primary and Secondary,
- working to ensure leadership capacity across all Trust academies/schools,
- sourcing DfE Emergency Grant Funding for the Taunton Academy,
- developing and ensuring the robustness of academy data,
- due diligence for primary schools joining the Trust (North Curry and West Buckland),
- free school application for Nerrols Primary School,
- board performance and effectiveness (see below),
- regular scrutiny of management accounts,
- appointment of internal and external auditors and executive leadership structure for 2018-19.

A data dashboard was presented to the Board for the Taunton Academy and TTA's GCSE results for 2016-17 were greatly improved.

**Governance review**

Trustees completed a board performance and effectiveness questionnaire for 2016-17 and skills audit for 2017-18, both of which were summarised and presented to the Board in February 2018.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is:

- to consider and advise the Board of Trustees on all aspects of the Academy Trust's finances, financial policies, controls and strategy in accordance with the Articles of Association, Academies Financial Handbook and the Funding Agreement,
- to advise the Board of Trustees on the adequacy and effectiveness of the Academy Trust's systems of internal control and its arrangements for risk management, control, governance processes, and value for money.

Particular issues dealt with during 2017-18 included:

- reviewing financial performance reports,
- scrutinising the medium term financial plan and Trust budget,
- monitoring compliance reviews and health and safety audits,
- scrutinising internal audit reports,
- due diligence for schools joining the Trust,
- financing the Trust's longer term vision,
- the Trust's financial strategy.

The Committee met on four occasions during the academic year 2017-18. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Abbott	4	4
G Adams	2	4
C Christie	4	4
D Griffin	4	4
C Ormrod	2	4

**REVIEW OF VALUE FOR MONEY**

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

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

**GOVERNANCE STATEMENT (continued)**

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Trust has delivered improved value for money during the year by:

- driving efficiencies through Academy Trust procurement,
- utilising central services in the Academy Trust effectively.

**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 the achievement of Richard Huish Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Richard Huish Trust for the period from 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 Academy Trust's significant risks that have been in place for the period from 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.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and appointed TIAA as internal auditor to carry out a programme of internal checks up to June 2018. From July 2018 Griffin Accountancy was appointed by the Board as the internal auditor.

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

- Testing of payroll systems.
- Testing of purchase systems.
- Testing of control account/bank account reconciliations.

The auditor reports to the Board of Trustees, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

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

**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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

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

Approved by order of the members of the Board of Trustees on 14 December 2018 and signed on their behalf, by:

**G Adams**  
**Chair of Trustees**

**J Abbott**  
**Accounting Officer**



**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Richard Huish 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 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.

**J Abbott  
Accounting Officer**

Date: 14 December 2018

**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

**G Adams  
Chair of Trustees**

**Date: 14 December 2018**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
RICHARD HUISH TRUST**

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**OPINION**

We have audited the financial statements of Richard Huish Trust (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
RICHARD HUISH TRUST**

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required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the 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 our 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.

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**USE OF OUR REPORT**

**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
RICHARD HUISH TRUST**

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

Tim Borton FCA DChA (Senior Statutory Auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS  
20 December 2018

**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RICHARD HUISH TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 2 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Richard Huish Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Richard Huish Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Richard Huish Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Richard Huish Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF RICHARD HUISH TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Richard Huish Trust's funding agreement with the Secretary of State for Education dated 24 March 2015, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RICHARD HUISH TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

20 December 2018

**RICHARD HUISH TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfer on conversion	2	116,696	(588,000)	1,027,436	556,132	-
Other donations and capital grants	2	305	115,221	45,335	160,861	90,671
Charitable activities	3	100,898	3,988,441	-	4,089,339	3,520,370
Other trading activities	4	101,225	-	-	101,225	187,842
Investments	5	198	-	-	198	315
<b>TOTAL INCOME</b>		<b>319,322</b>	<b>3,515,662</b>	<b>1,072,771</b>	<b>4,907,755</b>	<b>3,799,198</b>
<b>EXPENDITURE ON:</b>						
Raising funds		25,080	-	-	25,080	-
Charitable activities		111,229	4,249,324	243,712	4,604,265	4,353,714
<b>TOTAL EXPENDITURE</b>	6	<b>136,309</b>	<b>4,249,324</b>	<b>243,712</b>	<b>4,629,345</b>	<b>4,353,714</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	183,013 (78,697)	(733,662) 78,697	829,059 -	278,410 -	(554,516) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial gains on defined benefit pension schemes	24	-	571,000	-	571,000	928,000
<b>NET MOVEMENT IN FUNDS</b>		<b>104,316</b>	<b>(83,965)</b>	<b>829,059</b>	<b>849,410</b>	<b>373,484</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		(343,925)	(3,127,864)	8,211,111	4,739,322	4,365,838
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(239,609)</b>	<b>(3,211,829)</b>	<b>9,040,170</b>	<b>5,588,732</b>	<b>4,739,322</b>

The notes on pages 25 to 47 form part of these financial statements.



**RICHARD HUISH TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 09320523**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>8,967,400</b>		8,211,111
<b>CURRENT ASSETS</b>					
Debtors	15	<b>552,154</b>		130,216	
Cash at bank and in hand		<b>427,319</b>		277,350	
			<b>979,473</b>	<b>407,566</b>	
<b>CREDITORS:</b> amounts falling due within one year	16	<b>(711,141)</b>		<b>(297,355)</b>	
<b>NET CURRENT ASSETS</b>			<b>268,332</b>		110,211
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>9,235,732</b>		8,321,322
<b>CREDITORS:</b> amounts falling due after more than one year	17		<b>(300,000)</b>		<b>(450,000)</b>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<b>8,935,732</b>		7,871,322
Defined benefit pension scheme liability	24		<b>(3,347,000)</b>		<b>(3,132,000)</b>
<b>NET ASSETS</b>			<b>5,588,732</b>		4,739,322
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	19	<b>135,171</b>		4,136	
Fixed asset funds	19	<b>9,040,170</b>		8,211,111	
			<b>9,175,341</b>	<b>8,215,247</b>	
Restricted funds excluding pension liability					
Pension reserve		<b>(3,347,000)</b>		<b>(3,132,000)</b>	
			<b>5,828,341</b>		5,083,247
Total restricted funds			<b>5,828,341</b>		5,083,247
Unrestricted funds	19		<b>(239,609)</b>		<b>(343,925)</b>
<b>TOTAL FUNDS</b>			<b>5,588,732</b>		4,739,322

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue, on 14 December 2018 and are signed on their behalf, by:

**G Adams**  
**Chair of Trustees**

The notes on pages 25 to 47 form part of these financial statements.

**RICHARD HUISH TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	<u>1,104,436</u>	<u>(162,899)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		198	315
Assets on conversion		(1,000,000)	-
Purchase of tangible fixed assets		-	(7,210)
Capital grants from DfE Group		45,335	-
<b>Net cash used in investing activities</b>		<u>(954,467)</u>	<u>(6,895)</u>
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		-	250,000
<b>Net cash provided by financing activities</b>		<u>-</u>	<u>250,000</u>
<b>Change in cash and cash equivalents in the year</b>		<b>149,969</b>	<b>80,206</b>
Cash and cash equivalents brought forward		<u>277,350</u>	<u>197,144</u>
<b>Cash and cash equivalents carried forward</b>	22	<u><u>427,319</u></u>	<u><u>277,350</u></u>

The notes on pages 25 to 47 form part of these financial statements.

**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Richard Huish Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 GOING CONCERN**

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

**1. ACCOUNTING POLICIES (continued)**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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 provided to the Academy 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 are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it can be reliably measured.

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 and services

**1.4 EXPENDITURE**

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

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	40 years straight line
Furniture and fixtures	-	41 - 94 months straight line
Motor vehicles	-	30 months straight line
Computer equipment	-	29 - 48 months straight line

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 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.7 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.8 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.9 LIABILITIES AND PROVISIONS**

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

**1. ACCOUNTING POLICIES (continued)**

**1.10 FINANCIAL INSTRUMENTS**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.11 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.

**1.12 PENSIONS**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 prospective unit credit method. As stated in note 24, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.13 CONVERSION TO AN ACADEMY TRUST**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from West Buckland Primary School and North Curry Church of England Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted funds and restricted fixed asset funds.

Land and Buildings have been included as per the valuation by the local council whilst other fixed assets have been included at amounts valued by the Trustees. Pension assets and liabilities have been valued by Barnett Waddingham.

Further details of the transaction are set out in note 23.

**1.14 FUND ACCOUNTING**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Transfer on conversion	<b>116,696</b>	<b>(588,000)</b>	<b>1,027,436</b>	<b>556,132</b>	-
Donations	<b>305</b>	<b>115,221</b>	-	<b>115,526</b>	90,671
Capital Grants	-	-	<b>45,335</b>	<b>45,335</b>	-
Subtotal	<b>305</b>	<b>115,221</b>	<b>45,335</b>	<b>160,861</b>	90,671
	<b>117,001</b>	<b>(472,779)</b>	<b>1,072,771</b>	<b>716,993</b>	90,671
Total 2017	62,372	28,299	-	90,671	



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**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	100,898	3,988,441	4,089,339	3,520,370
Total 2017	-	3,520,370	3,520,370	

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	3,464,472	3,464,472	3,365,162
Start up Grants	-	67,225	67,225	17,225
Other DfE Group grants	-	374,756	374,756	101,140
	-	3,906,453	3,906,453	3,483,527
<b>Other Government grants</b>				
Other government grants non capital	-	70,585	70,585	36,843
	-	70,585	70,585	36,843
<b>Other funding</b>				
Catering income	48,284	-	48,284	-
Sales to students	9,512	-	9,512	-
Other	43,102	11,403	54,505	-
	100,898	11,403	112,301	-
	100,898	3,988,441	4,089,339	3,520,370
Total 2017	-	3,520,370	3,520,370	

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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	101,225	-	101,225	100,585
Other	-	-	-	87,257
	<u>101,225</u>	<u>-</u>	<u>101,225</u>	<u>187,842</u>
Total 2017	<u>187,842</u>	<u>-</u>	<u>187,842</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	198	-	198	315
	<u>198</u>	<u>-</u>	<u>198</u>	<u>315</u>
Total 2017	<u>315</u>	<u>-</u>	<u>315</u>	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	-	25,080	-	25,080	21,204
Support costs	-	-	-	-	16,659
Education:					
Direct costs	2,924,270	-	357,262	3,281,532	2,837,846
Support costs	375,176	205,639	741,918	1,322,733	1,478,005
	<u>3,299,446</u>	<u>230,719</u>	<u>1,099,180</u>	<u>4,629,345</u>	<u>4,353,714</u>
Total 2017	<u>3,052,082</u>	<u>609,614</u>	<u>692,018</u>	<u>4,353,714</u>	

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**FOR THE YEAR ENDED 31 AUGUST 2018**

**7. DIRECT COSTS**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Pension finance costs	<b>69,000</b>	-
Educational supplies	<b>132,759</b>	103,227
Examination fees	<b>41,246</b>	23,702
Staff development	<b>11,520</b>	-
Other costs	<b>34,943</b>	73,828
Supply teachers	<b>57,256</b>	59,507
Security and transport	-	36,216
Technology costs	<b>63,481</b>	-
Wages and salaries	<b>2,222,836</b>	2,081,114
National insurance	<b>194,318</b>	197,869
Pension cost	<b>454,173</b>	283,587
	<b>3,281,532</b>	2,859,050
	<hr/> <hr/>	<hr/> <hr/>
Total 2017	<hr/> <hr/> 2,859,050	

**8. SUPPORT COSTS**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Pension finance costs	<b>17,000</b>	84,000
Other costs	<b>1,692</b>	28,736
Recruitment and support	<b>8,376</b>	209,531
Maintenance of premises and equipment	<b>91,928</b>	89,512
Cleaning	<b>34,583</b>	3,635
Rent, rates and energy	<b>98,113</b>	93,355
Insurance	<b>21,520</b>	16,757
Security and transport	<b>6,932</b>	6,567
Catering	<b>97,078</b>	84,261
Office overheads	<b>248,872</b>	5,967
Legal and professional	<b>63,617</b>	-
Bank interest and charges	<b>1,441</b>	1,699
Bad debts	-	(9,579)
Governance	<b>17,006</b>	50,431
Wages and salaries	<b>302,032</b>	404,005
National insurance	<b>8,991</b>	-
Pension cost	<b>59,840</b>	26,000
Depreciation	<b>243,712</b>	399,787
	<b>1,322,733</b>	1,494,664
	<hr/> <hr/>	<hr/> <hr/>
Total 2017	<hr/> <hr/> 1,494,664	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018</b>	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	<b>243,711</b>	399,787
Auditors' remuneration - audit	<b>14,560</b>	11,350
Auditors' remuneration - non audit	-	3,100
Internal audit costs	<b>2,276</b>	-
Operating lease rentals	<b>5,328</b>	2,160
	<b>=====</b>	<b>=====</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	<b>2018</b>	2017
	£	£
Wages and salaries	<b>2,510,185</b>	2,369,247
Social security costs	<b>203,309</b>	197,869
Pension costs	<b>514,013</b>	309,587
	<u><b>3,227,507</b></u>	<u>2,876,703</u>
Agency staff costs	<b>57,256</b>	59,507
Staff restructuring costs	<b>14,683</b>	115,872
	<u><b>3,299,446</b></u>	<u>3,052,082</u>

Staff restructuring costs comprise:

	<b>2018</b>	2017
	£	£
Severance payments	<b>14,683</b>	-

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £7,431 (2017: £115,872).

**c. Staff numbers**

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

	<b>2018</b>	2017
	No.	No.
Teachers	<b>48</b>	43
Administration and Support	<b>50</b>	39
Management	<b>5</b>	3
	<u><b>103</b></u>	<u>85</u>

Average headcount expressed as a full time equivalent:

	<b>2018</b>	2017
	No.	No.
Teachers	<b>39</b>	37
Administration and Support	<b>29</b>	26
Management	<b>5</b>	3
	<u><b>73</b></u>	<u>66</u>

**d. Higher paid staff**

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

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**10. STAFF COSTS (continued)**

	<b>2018</b>	2017
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>2</b>	2
In the band £80,001 - £90,000	<b>1</b>	0

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Headteacher and Deputy Headteachers. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £344,538 (2017: £316,209).

**11. CENTRAL SERVICES**

No central services were charged by the Academy Trust to its academies during the year. The Trust provided senior leadership time and financial support to the academies during the year, however as the academies only joined the Trust on 1 May, this was not recharged. Formal recharges will be undertaken in the 2018/19 year.

**12. TRUSTEES' REMUNERATION AND EXPENSES**

During the year, no Trustees received any remuneration (2017: £NIL).

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017: £NIL).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

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

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**14. TANGIBLE FIXED ASSETS**

	Leasehold property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2017	8,322,000	9,995	60,629	619,118	9,011,742
Additions	1,000,000	-	-	-	1,000,000
At 31 August 2018	<u>9,322,000</u>	<u>9,995</u>	<u>60,629</u>	<u>619,118</u>	<u>10,011,742</u>
<b>DEPRECIATION</b>					
At 1 September 2017	223,444	9,663	30,802	536,722	800,631
Charge for the year	163,033	332	12,904	67,442	243,711
At 31 August 2018	<u>386,477</u>	<u>9,995</u>	<u>43,706</u>	<u>604,164</u>	<u>1,044,342</u>
<b>NET BOOK VALUE</b>					
At 31 August 2018	<u>8,935,523</u>	-	<u>16,923</u>	<u>14,954</u>	<u>8,967,400</u>
At 31 August 2017	<u>8,098,556</u>	332	29,827	82,396	8,211,111

**15. DEBTORS**

	2018 £	2017 £
Trade debtors	152,071	20,368
VAT repayable	83,060	21,249
Other debtors	147,620	-
Prepayments and accrued income	169,403	88,599
	<u>552,154</u>	<u>130,216</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
ESFA loans	150,000	-
Trade creditors	286,946	98,730
Other taxation and social security	65,713	47,863
Other creditors	63,483	61,232
Accruals and deferred income	144,999	89,530
	<u>711,141</u>	<u>297,355</u>

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**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

	2018 £	2017 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2017	-	30,000
Resources deferred during the year	<b>56,697</b>	-
Amounts released from previous years	-	(30,000)
	<u>56,697</u>	<u>-</u>
Deferred income at 31 August 2018	<u><b>56,697</b></u>	<u>-</u>

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
ESFA loans	<u><b>300,000</b></u>	<u>450,000</u>

**18. FINANCIAL INSTRUMENTS**

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	<b>427,319</b>	277,350
Financial assets measured at amortised cost	<b>394,201</b>	20,368
	<u><b>821,520</b></u>	<u>297,718</u>
Financial liabilities measured at amortised cost	<u><b>(826,637)</b></u>	<u>(699,492)</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors.

**19. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>						
Unrestricted funds	<u>(343,925)</u>	<u>319,322</u>	<u>(136,309)</u>	<u>(78,697)</u>	<u>-</u>	<u>(239,609)</u>



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

**RESTRICTED FUNDS**

General Annual Grant (GAG)	-	3,404,448	(3,377,005)	-	-	27,443
High needs	-	24,279	(24,279)	-	-	-
Pupil premium	-	220,094	(220,094)	-	-	-
PE & sport	-	11,403	(11,403)	-	-	-
UIFSM	-	14,203	(14,203)	-	-	-
MDIF	-	49,740	(25,875)	-	-	23,865
Other restricted	-	228,809	(228,809)	-	-	-
Other DfE/ESFA	-	77,249	(77,249)	78,697	-	78,697
Trips	-	23,437	(22,407)	-	-	1,030
Start up grant	-	50,000	(50,000)	-	-	-
Donations	4,136	-	-	-	-	4,136
Pension reserve	(3,132,000)	(588,000)	(198,000)	-	571,000	(3,347,000)
	<u>(3,127,864)</u>	<u>3,515,662</u>	<u>(4,249,324)</u>	<u>78,697</u>	<u>571,000</u>	<u>(3,211,829)</u>

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets transferred on conversion	8,182,804	1,027,436	(242,961)	-	-	8,967,279
Fixed assets purchased from GAG	5,407	-	(147)	-	-	5,260
Devolved formula capital	-	45,335	-	-	-	45,335
Other	22,900	-	(604)	-	-	22,296
	<u>8,211,111</u>	<u>1,072,771</u>	<u>(243,712)</u>	<u>-</u>	<u>-</u>	<u>9,040,170</u>
Total restricted funds	<u>5,083,247</u>	<u>4,588,433</u>	<u>(4,493,036)</u>	<u>78,697</u>	<u>571,000</u>	<u>5,828,341</u>
Total of funds	<u>4,739,322</u>	<u>4,907,755</u>	<u>(4,629,345)</u>	<u>-</u>	<u>571,000</u>	<u>5,588,732</u>

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

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Start up Grant – This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

PE Grant – This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	Total 2017 £
Taunton Academy	<b>(339,719)</b>	(418,486)
West Buckland Academy	<b>44,671</b>	-
North Curry Academy	<b>88,576</b>	-
Central services	<b>102,034</b>	78,697
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>(104,438)</b>	(339,789)
Restricted fixed asset fund	<b>9,040,170</b>	8,211,111
Pension reserve	<b>(3,347,000)</b>	(3,132,000)
	<hr/>	<hr/>
Total	<b>5,588,732</b>	4,739,322
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

<b>Name of academy</b>	<b>Amount of deficit £</b>
Taunton Academy	<b>(339,719)</b>

The Taunton Academy (TTA) was re-brokered to Richard Huish Trust on the 1st April 2015. The school had a falling pupil role and a staff cost that was financially unsustainable. In August 2016 an emergency advance of funds was made by the ESFA to ensure that TTA could continue to meet its current liabilities.

In the autumn of 2016 the financial recovery plan was approved by the ESFA. The plan included the provision of a loan of £450K with a three-year term repayable from September 2018. The school is now making in-year surpluses sufficient to cover the loan repayments. The school is also growing and remains in dialogue with the ESFA as to whether moving to an estimated rather than lagged funding arrangement might be more appropriate in the short to medium term.

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

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Taunton Academy	2,562,324	305,828	113,988	723,114	3,705,254	4,353,714
West Buckland Academy	106,441	22,420	4,565	22,574	156,000	-
North Curry Academy	169,819	20,614	8,008	21,536	219,977	-
Central services	-	-	-	76,403	76,403	-
	<u>2,838,584</u>	<u>348,862</u>	<u>126,561</u>	<u>843,627</u>	<u>4,157,634</u>	<u>4,353,714</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds	(425,089)	188,157	(68,380)	(38,613)	-	(343,925)
<b>RESTRICTED FUNDS</b>						
General annual grant (GAG)	-	3,365,162	(3,388,648)	23,486	-	-
Start-up grant	-	17,225	(17,225)	-	-	-
Other Dfe/ESFA grants	23,773	101,140	(124,913)	-	-	-
Somerset County Council	-	36,843	(36,843)	-	-	-
Other donations	4,466	62,372	(62,702)	-	-	4,136
School trips	-	28,299	(36,216)	7,917	-	-
Pension reserve	(3,841,000)	-	(219,000)	-	928,000	(3,132,000)
	<u>(3,812,761)</u>	<u>3,611,041</u>	<u>(3,885,547)</u>	<u>31,403</u>	<u>928,000</u>	<u>(3,127,864)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets on conversion	8,568,748	-	(385,944)	-	-	8,182,804
Capital expenditure from GAG	-	-	(1,803)	7,210	-	5,407
Other	34,940	-	(12,040)	-	-	22,900
	<u>8,603,688</u>	<u>-</u>	<u>(399,787)</u>	<u>7,210</u>	<u>-</u>	<u>8,211,111</u>
Total restricted funds	<u>4,790,927</u>	<u>3,611,041</u>	<u>(4,285,334)</u>	<u>38,613</u>	<u>928,000</u>	<u>5,083,247</u>
Total of funds	<u>4,365,838</u>	<u>3,799,198</u>	<u>(4,353,714)</u>	<u>-</u>	<u>928,000</u>	<u>4,739,322</u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,967,400	8,967,400
Current assets	210,391	696,311	72,770	979,472
Creditors due within one year	(150,000)	(561,140)	-	(711,140)
Creditors due in more than one year	(300,000)	-	-	(300,000)
Pension scheme liability	-	(3,347,000)	-	(3,347,000)
	<u>(239,609)</u>	<u>(3,211,829)</u>	<u>9,040,170</u>	<u>5,588,732</u>

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	8,211,111	8,211,111
Current assets	403,430	4,136	-	407,566
Creditors due within one year	(297,355)	-	-	(297,355)
Creditors due in more than one year	(450,000)	-	-	(450,000)
Provisions for liabilities and charges	-	(3,132,000)	-	(3,132,000)
	<u>(343,925)</u>	<u>(3,127,864)</u>	<u>8,211,111</u>	<u>4,739,322</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	278,410	(554,516)
<b>Adjustment for:</b>		
Depreciation charges	243,711	399,787
Dividends, interest and rents from investments	(198)	(315)
Increase in debtors	(421,938)	(39,846)
Increase/(decrease) in creditors	263,786	(187,009)
Capital grants from DfE and other capital income	(45,335)	-
Defined benefit pension scheme obligation inherited	588,000	-
Defined benefit pension scheme cost less contributions payable	112,000	135,000
Defined benefit pension scheme finance cost	86,000	84,000
<b>Net cash provided by/(used in) operating activities</b>	<u>1,104,436</u>	<u>(162,899)</u>

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**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank and in hand	427,319	277,350
	<u>427,319</u>	<u>277,350</u>

**23. CONVERSION TO AN ACADEMY TRUST**

On 1 May 2018 West Buckland Primary School and North Curry Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Richard Huish Trust from Somerset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	1,027,436	1,027,436
Other assets	116,696	-	-	116,696
LGPS pension surplus/(deficit)	-	(588,000)	-	(588,000)
	<u>116,696</u>	<u>(588,000)</u>	<u>1,027,436</u>	<u>556,132</u>

The above net assets include £164,200 that were transferred as cash, of which £136,764 is included within debtors at the year end.

**24. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Somerset County Council. Both are multi-employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £44,000 were payable to the schemes at 31 August 2018 (2017: 42,000) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

**24. PENSION COMMITMENTS (continued)**

they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- 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 TPS in the period amounted to £281,118 (2017: £133,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £148,000 (2017: £156,000), of which employer's contributions totalled £117,000 (2017: £129,000) and employees' contributions totalled £31,000 (2017: £27,000). The agreed contribution rates for future years are 20.9% for employers and 5.5-12.5% for employees.

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

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**24. PENSION COMMITMENTS (continued)**

Principal actuarial assumptions:

	<b>2018</b>	2017
Discount rate for scheme liabilities	<b>2.65 %</b>	2.60 %
Rate of increase in salaries	<b>3.80 %</b>	4.20 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.70 %
Inflation assumption (CPI)	<b>2.30 %</b>	2.70 %

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

	<b>2018</b>	2017
Retiring today		
Males	<b>24.0</b>	23.9
Females	<b>25.2</b>	25.1
Retiring in 20 years		
Males	<b>26.3</b>	26.2
Females	<b>27.5</b>	27.4

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

	<b>Fair value at 31 August 2018 £</b>	Fair value at 31 August 2017 £
Equities	<b>1,411,000</b>	1,065,000
Gilts	<b>105,000</b>	82,000
Corporate bonds	<b>177,000</b>	149,000
Property	<b>174,000</b>	135,000
Cash and other liquid assets	<b>93,000</b>	65,000
Total market value of assets	<b><u>1,960,000</u></b>	<u>1,496,000</u>

The actual return on scheme assets was £68,000 (2017: £206,000).

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

	<b>2018 £</b>	2017 £
Current service cost	<b>(229,000)</b>	(194,000)
Interest income	<b>42,000</b>	32,000
Interest cost	<b>(128,000)</b>	(116,000)
Admin expenses	<b>-</b>	(2,000)
Transferred in on existing academies joining the trust	<b>(588,000)</b>	-
Past service costs	<b>-</b>	(68,000)
Total	<b><u>(903,000)</u></b>	<u>(348,000)</u>

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**24. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening defined benefit obligation	4,628,000	5,584,000
Transferred in on existing academies joining the trust	913,000	-
Current service cost	229,000	194,000
Interest cost	128,000	118,000
Employee contributions	31,000	27,000
Actuarial gains	(546,000)	(833,000)
Benefits paid	(76,000)	(530,000)
Past service costs	-	68,000
	<u>5,307,000</u>	<u>4,628,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,496,000	1,743,000
Transferred in on existing academies joining the trust	325,000	-
Administration expenses	-	(2,000)
Interest income	42,000	34,000
Actuarial losses	25,000	95,000
Employer contributions	117,000	129,000
Employee contributions	31,000	27,000
Benefits paid	(76,000)	(530,000)
	<u>1,960,000</u>	<u>1,496,000</u>

**25. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	900	-
Between 1 and 5 years	665	-
	<u>1,565</u>	<u>-</u>
Total	<u>1,565</u>	<u>-</u>

**26. MEMBERS' LIABILITY**

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



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**27. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Trust incurred the following expenses with the Richard Huish College, the sponsor of the Trust:

- £182,571 leadership and back office service fees (2017: £125,859)
- £Nil exam and data services fees (2017: £6,000)
- £78,676 cleaning and caretaking fees (2017: £89,354)
- £8,723 IT service fees (2017: £24,342)
- £7,722 other costs (2017: £3,600)

The Richard Huish College appointed two of the Trusts four members and also has three trustees in common.

At the Balance Sheet date an amount of £86,484 (2017: £8,006) was owed to the Richard Huish College.

In entering into these transactions the Trust has complied with the requirements of the Academies Financial Handbook 2017. Purchases were provided 'at no more than cost' and Richard Huish College has provided a statement of assurance confirming this.

**28. GENERAL INFORMATION**

Richard Huish Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Richard Huish College, South Road, Taunton, Somerset, TA1 3DZ