

Registered number: 07984125

# **HAMILTON ACADEMY**

**(A Company Limited by Guarantee)**

## **TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**



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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 10
<b>Governance statement</b>	11 - 14
<b>Statement on regularity, propriety and compliance</b>	15
<b>Statement of trustees' responsibilities</b>	16
<b>Independent auditor's report on the financial statements</b>	17 – 19
<b>Independent reporting accountant's report on regularity</b>	20 – 21
<b>Statement of financial activities incorporating income and expenditure account</b>	22
<b>Balance sheet</b>	23
<b>Statement of cash flows</b>	24
<b>Notes to the financial statements</b>	25 - 53

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Members**

Belal Ali	(Deputy Chairman)
Paul Basham	(Chairman)
Sue Hynard	
Stephen Nunn	(Headteacher and Accounting Officer)

**Trustees**

Mohammed Akeil*	
Belal Ali*	(Deputy Chairman)
Paul Basham	(Chairman) (Responsible Officer)
Harry Bryant	(Staff Governor)
Anna Buckett*	(Parent Governor)
Caroline Comber	(Staff Governor)
Philip Cook	(Parent Governor) (Resigned 14 Oct 2020)
Sue Hynard*	
Richard Kershaw*	
Stephen Nunn*	(Headteacher and Accounting
Officer) Nick Oliver*	
Sarfaraz Raja	(Parent Governor)
Gopi Sampath	(Elected 07 Feb 2020)
Steve Widd	(Business Manager) (Resigned 22 Mar 2020)

\*Member of the Finance and Buildings Committee

**Company Secretary**

Steve Widd	(Business Manager)
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**Senior Management Team**

Stephen Nunn	(Headteacher)
Alison Pumfrey	(Deputy Headteacher)
Janelle Ransley	(Deputy Headteacher)
Steve Widd	(Business Manager)

**Company Name**

Hamilton Academy

**Principal and Registered Office**

Hamilton Academy, Priory Avenue, High Wycombe, Buckinghamshire, HP13 6SG

**Company Registered Number**

07984125 (England & Wales)

**Independent Auditor**

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

**Bankers**

Lloyds Bank Plc, 25 Gresham Street, London, EC2V 7HN

**Solicitors**

Stone King LLP, 16 St John's Lane, London, EC1M 4BS

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in High Wycombe. It has a pupil capacity of 660 and had a roll of 636 in the school census in October 2020.

**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 Hamilton Academy Trust Limited are also the directors and governors of the charitable company for the purposes of company law. The charitable company is known as Hamilton Academy.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

The school converted to academy status on 01 April 2012.

**Members' Liability**

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

**Trustees' Indemnities**

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance is included within the overall cost of the ESFA Risk Protection Arrangement.

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

The Academy's Articles of Association set out the constitution and method of appointment to the Governing Body including Parent Governors who are elected in accordance with Department for Education guidelines.

Suitability of Governors is determined by their interest in the work of the Academy, eligibility and personal competence and to ensure the Governing Body has the breadth of skills and knowledge necessary to advance the Academy in all areas.

The Governing Body shall not consist of less than three members, being the Headteacher and two parent governors as set out in the Articles of Association. The governing body when complete includes:

- The Headteacher of Hamilton Academy, who is ex officio a member of the Academy's Governing Body;
- Four parent governors elected by the parents/carers of registered pupils at the Academy. Any parent/carer registered at the Academy is eligible for parent governorship;
- Two staff governors elected by Academy staff as individuals. Any paid members of staff are eligible for staff governorship;
- Eight appointed governors, appointed by the members of the Governing Body.

All governors serve a term of four years after which they can be eligible for re-election or re-appointment as above.

The Governors who were in office in the period under review are listed on page 1

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

New Governors are offered the opportunity to tour the Academy and to meet with staff, students, the Headteacher and the Chairman of the Governing Body with a view to ensuring the Governor has a good understanding of the Academy's philosophy and its day to day operation.

The Governing Body also maintains a service level agreement through Buckinghamshire Education Partnership to provide on-going governor information and support to which all governors have access. This includes specific induction training courses for new governors so they may gain a sound understanding of the role and responsibilities of being a school governor.

In addition, Governors at all levels are encouraged to participate in relevant training arranged by the Academy. From time to time the Academy arranges technical updates on topical matters for Governors from a variety of sources.

**Organisational Structure**

Governing Body

The Governing Body has overall responsibility for the administration and financial management of the Academy, and setting of the strategic direction. The responsibilities of the Governing Body are prescribed in the Standing Orders, the Articles of Association, and the Funding Agreement with the Education & Skills Funding Agency (ESFA). The Governing Body meets at least once per term to discuss and transact its business.

Governor Sub-Committees

The Governing Body has delegated various responsibilities to its four sub-committees: Finance and Buildings, Staff and Pupil Welfare, Teaching and Learning, and Admissions. These committees are constituted from a selection of members of the Governing Body. The committees meet at least termly and report their deliberations to the Governing Body.

Headteacher and Senior Leadership Team

The Headteacher of the Academy has overall executive responsibility for the operational management of the Academy and is supported by the Senior Leadership Team (SLT) in implementing the strategies, policies and spending plans agreed with the Governing Body. The SLT consists of the Headteacher, two Deputy Headteachers, two Assistant Headteachers, Business Manager, and Special Education Needs Co-ordinator.

Budget Holders and Senior Support Staff

Budgets, and spending decisions against them, are further delegated to departmental budget holders and senior support staff to encourage involvement in decision making and to ensure that spending decisions are operationally efficient.

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

Pay arrangements for all personnel are covered in the school's pay policies:

- Teachers Pay Policy
- Operations and Support Staff Pay Policy

The governors have established a set of pay scales/points that apply to all staff. These currently follow the National Teachers Pay and Conditions document for teaching staff and Buckinghamshire County Council pay grading for operations and support staff. Each member of staff is allocated a range of pay points within which their salary can be determined. Progression to a higher pay point is reviewed annually on 01 September for teaching staff and 01 April for support staff. These arrangements apply to all staff, including the leadership team. Pay for senior management staff is reviewed by the Headteacher. The Headteacher's pay is reviewed by a sub-committee of the governing body. Governors of the school do not receive any remuneration for their services as governors.

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**HAMILTON ACADEMY**  
(A Company Limited by Guarantee)

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Trade union facility time**

**Relevant union officials**

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

Full-time equivalent employee number

Nil

Nil

**Percentage of time spent on facility time**

Percentage of time

Number of

employees 0%

Nil

1%-50%

Nil

51%-99%

Nil

100%

Nil

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

Provide the total cost of facility time

£Nil

Provide the total pay bill

£N/A

Provide the percentage of the total pay bill  
spent on facility time, calculated as:

0%

$(\text{total cost of facility time} \div \text{total pay bill}) \times 100$

**Paid trade union activities**

Time spent on paid trade union activities such  
as a percentage of total paid facility time hours  
calculated as:

Nil

$(\text{total hours spent on paid trade union activities}$   
 $\text{by relevant union officials during the relevant}$   
 $\text{period} \div \text{total paid facility time hours}) \times 100$

Nil

**Related Parties and other Connected Charities and Organisations**

Hamilton Academy is a single entity academy not supported by a wider federation of academies, or significant sponsorship from the private sector or religious organisations.

The Academy does maintain positive and supportive links with other local academy schools and local authority schools, as well as the local authority.

The Academy also is closely supported by Friends of Hamilton School Association, registered charity 285672. The principal activities of which are also to advance the education of the pupils in the Academy through a range of fund raising events.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

Hamilton Academy aims to provide a high quality and fully inclusive education to students of all abilities between the ages of 3 and 11, underpinned by an engaging and relevant curriculum. Hamilton Academy offers challenge and provides support for all its students to become independent, motivated learners.

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objects and Aims (continued)**

The key objectives and aims of the Academy include:

- to enable students of all abilities to make the most of their intellectual, practical, physical and social skills;
- to ensure that students feel safe, happy and well cared for;
- to help students to develop self-discipline and to learn to behave towards others as they would expect others to behave towards them, with care, respect and good manners;
- to help students to develop self confidence in the classroom, in extension activities and in social situations;
- to help students to develop high aspirations and to enable them to progress towards a rewarding fulfilling future;
- to enable students to achieve their potential;
- to uphold and teach values of democracy, rule of law, individual liberty, mutual respect, and tolerance of those with different faiths and beliefs.

**Objectives, Strategies and Activities**

The School Development Plan (SDP) outlines the Academy's main strategies in order to deliver its objectives; this is reviewed at least termly.

The strategies and activities are linked to:

- Quality of education
- Behaviour and attitudes
- Personal development
- Leadership and management

**Public Benefit**

The governors of the Academy have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. During meetings of the Governing Body and its sub-committees the governors discuss the curriculum, local community and school environment and have due regard to the Charity Commission guidance at all times. They can demonstrate that the Academy's aims and activities are purely for the advancement of education, the development of the students, and the satisfaction of the parents and guardians.

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy went through a full OFSTED inspection in October 2018 during which the inspectors judged the school to be Good in all areas.

The key measures of performance over the 2019/20 academic year were:

**EYFS**

- 59% of children achieved a Good Level of Development (GLD), below the national average

**Key Stage 1**

- KS1 Reading: 76% of children achieved the expected standard, above the national average
- KS1 Writing: 68% of children achieved the expected standard, above the national average
- KS1 Maths: 75% of children achieved the expected standard, above the national average

**Achievements and Performance (continued)**

**Key Stage 2 Attainment**

- KS2 Reading: 71% of children achieved the expected standard, above the national average
- KS2 Writing: 73% of children achieved the expected standard, below the national average
- KS2 Maths: 72% of children achieved the expected standard, below the national average

**Key Stage 2 Progress**

- In Reading our progress score is below the national score.
- In Writing our progress score is below the national score.
- In Maths our progress score is in line with the national score.

*Please note that the above scores were teacher estimates of pupil attainment as the school was largely closed from March 2020 to September 2020 to the majority of pupils.*

**Key Performance Indicators**

**Covid 19**

- The school remained open to children of key workers throughout lockdown.
- Staff provided remote learning for pupils not in school throughout lockdown
- School reopened for pupils in Reception and Year 6 classes on 1 June
- School reopened for pupils in Nursery and Year 1 classes on 3 June
- School reopened for pupils in Reception and Year 6 classes on 1 June
- School reopened for pupils in Year 4 and Year 5 classes on 22 June
- School reopened for pupils in Year 3 and Year 2 classes on 24 June
- From 24 June onwards, we had around 50% of the school roll back in class. Children who did not come in were provided for with remote learning.

The above was achieved through excellent leadership and superb teamwork by school staff. We continue to work very hard to provide all pupils with an exciting education within current constraints. The safety of pupils and staff remains our highest priority.

The Academy's financial performance is monitored by actual spend against budget, as well as challenging spending and ensuring procurement represents value for money by following the Academy's Financial Handbook.

The Academy benchmarks itself against other local schools and schools of similar size using ESFA benchmarking data and uses this to assess its overall financial performance, whilst taking account of local needs and objectives specific to Hamilton Academy.

In particular, staff costs remain a significant element of the expenditure of the Academy and this is monitored and controlled very carefully. During the financial year being reported staffing costs represented 81% of the expenditure (excluding depreciation costs) by the Academy. During the course of the financial year staffing costs were effectively managed to within less than 0.5% variance of budget.

Other key performance indicators are linked to academic performance and are covered in the Achievements and Performance section above.

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Going Concern**

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

**FINANCIAL REVIEW**

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of its General Annual Grant (GAG); the use of which is restricted to particular purposes as set out in the academy's Funding Agreement. The GAG received during the year, and associated expenditure, is shown as restricted funds in the Statement of Financial Activities (SoFA). Total revenue funding in the period from the ESFA was £2.7m.

Additional public funding is received from Buckinghamshire County Council, primarily to support students with special educational needs and the nursery provision. Such additional grants totalled £197k for the year.

The Academy also generates its own sources of additional income which includes the hire of some of its facilities outside of core school hours, as well as donations and voluntary contributions from pupils, parents, and charitable groups. These sources accounted for additional incoming revenue resources of £85k during the period.

Devolved Formula Capital Grant (DFCG) of £11k was received to support capital purchases at the discretion of the Academy in addition to a Capital Improvement Fund (CIF) grant of £33k. These sources of funding are shown as incoming restricted fixed assets resources.

Staffing costs for the Academy represents the primary expenditure of funds; totalling £2,448k for the period, excluding additional pension charges.

The Academy ended the year with an annual net movement on general restricted and unrestricted funds during the period of £514,978 (deficit) after adjusting for the effects of the pension fund. CIF grant funds received in the 2018-19 financial year were released from the Fixed Asset Reserve to fund the fire safety works undertaken during 2019-20.

The governors are monitoring the reported Local Government Pension Scheme deficit of £1,888,000. Contribution rates are set to repay this balance over future years.

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Reserves Policy**

The Governing Body's policy is to review the reserve levels of the academy annually. The policy of the academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future possible capital projects.

At 31 August 2020 the total funds comprised:

Unrestricted		130,709
Restricted:	Fixed asset funds	3,887,498
	Pension reserve	(1,888,000)
	Other	278,177
		<u>2,408,384</u>

**Funds in Deficit**

The deficit on the pension reserve relates to the Local Government Pension Scheme (LGPS) where, unlike the Teachers' Pension Scheme, separate assets are held to fund future liabilities as discussed in note 20. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. Employer contributions are reviewed and set once every three years after an actuarial valuation of the scheme.

**Investment Policy**

The Academy has no managed investments. Surplus funds during the period have been held on deposit with the academy's bankers. The Governing Body can from time to time authorise the opening of short term deposit investments accounts to take advantage of higher interest rates.

**Principal Risks and Uncertainties**

The Governing Body has assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities, and other operational areas of the Academy and its finances. The Governing Body has implemented a number of systems to assess and minimise the risks that the Academy faces, especially in the operational areas and in relation to the control of finance. Where significant financial risks remain insurance cover has been put in place after competitive tender in line with ESFA guidelines and best practice.

The principal risks facing the Academy are:

- Strategic and Reputational Risk
- Performance and Operational Risk
- Financial Risk
- Compliance Risk

The Academy practices, through the Governing Body and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the Governing Body with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated. The Academy maintains a register of its key risks and actions being taken to mitigate them. These risk registers are regularly reviewed by the Governing Body and its sub-committees, and such reviews are standard agenda items for all meetings.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by the Senior Management Team.

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**FUNDRAISING**

The Academy's primary source of income is grants from the DfE and the Local Authority (Buckinghamshire County Council). These grants represent £2,942k of the reported £3,026k income for the year; 97%. The remaining £84k is mainly generated from chargeable services the Academy operates, including the before and after school clubs, meals at lunchtime, and lettings of the premises. These amounts are significantly down this year due to school closures related to covid-19.

The Academy does ask for voluntary contributions from parents when their child attends a school trip; contributions are not mandatory. However, if the Academy does not receive sufficient contributions the trip may be cancelled, with any contributions already received returned to the donors. Trip donations account for £7k of the Academy's reported income this year; less than 0.5% of total income.

The Academy's other main source of voluntary contributions is Friends of Hamilton (FoH) which is a separately registered charity whose goal is to raise funds to benefit the education of pupils at the Academy. They operate a separate board of trustees with the Academy appointing a liaison to attend committee meetings. FoH primarily raise funds through running events such as a fireworks night and the summer fete. Donations from FoH represents less than 0.5% of the Academy's total income for the period.

The Academy does not engage other third party or commercial fundraisers.

The Academy has received no formal complaints about its fundraising activities during the year.

**PLANS FOR FUTURE PERIODS**

The School Development Plan (SDP) outlines the Academy's main strategies in order to deliver its objectives; this is reviewed at least termly. The focus of which is:

- To support pupils' wellbeing and behaviour as they return to school following lockdown
- To identify pupils' additional learning needs, and any gaps in their curriculum experience, due to lockdown
- To put in place additional interventions for the most vulnerable pupils following lockdown
- To improve reading attainment across the school
- To improve whole school writing attainment through the implementation of Talk for Writing
- To accelerate progress in Reading, Writing and Maths for Pupil Premium children
- To become an early adopter of the new Early Years Framework from Autumn term 2020
- To increase number of children achieving GLD to 75% in July 2021
- To ensure all subject leaders have an understanding of the actions expected from them in their role
- To ensure all subjects have a curriculum that is planned specifically to address the needs of current pupils
- To promote and support pupil and staff mental health and healthy lifestyle choices
- Consider how to reduce workload for staff, implement best practice

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy does not act a custodian trustee on behalf of others.

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

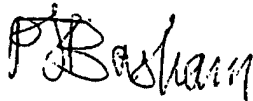
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**AUDITOR**

In so far as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors on 09 December 2020 and signed on the board's behalf by:



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**Paul Basham**  
Chair of the Governing Body

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Hamilton Academy 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 Governing Body has delegated the day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hamilton Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met six times during the year; three of these being done via correspondence (rather than in person) due to the national restrictions in place from March 2020 until the end of the academic year.

Attendance/contribution during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mohammed Akeil*	3	6
Belal Ali*	5	6
Paul Basham	6	6
Harry Bryant	5	6
Anna Buckett*	6	6
Caroline Comber	5	6
Philip Cook (Resigned 14 Oct 2020)	3	6
Sue Hynard*	5	6
Richard Kershaw*	5	6
Stephen Nunn* —	6	6
Nick Oliver*	5	6
Sarfaraz Raja	0	6
Gopi Sampath (Elected 07 Feb 2020)	1	3
Steve Widd (Resigned 22 Mar 2020)	3	3

\*Member of the Finance and Buildings Committee

Governance arrangements are reviewed by the Governing Body annually with the last review having taken place in May 2018, based on consideration of requirements set out in the Academies Financial Handbook 2017 (in particular Annex C) as well as the Financial Management and Governance Self-Evaluation. A further review was undertaken in November 2019.

The Governing Body uses a range of data to inform its decision making and challenge the school's Senior Leadership Team regarding the school performance both academically and financially. The governors make use of national and locally published league tables and national data benchmarks to assess the school's academic performance in key pupil exams and assessments. It also uses internally collected data through the Learning Ladders recording system and compares this against national expectations and benchmarks throughout the year. Financial performance is benchmarked against other school through annual benchmarking reports and the Governing Body receive regular monthly internal reports on the school's financial performance against budget expectations.

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**GOVERNANCE (continued)**

The Finance and Buildings Committee is a sub-committee of the Governing Body. Its purpose and functions are:

- the initial review and authorisation of the budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act and ESFA guidance issued to academies;
- authorising expenditure over £10,000 whether for a single service, asset or contract covering a period greater than one financial year.

During the year Gopi Sampath joined the committee.

The Finance and Buildings Committee has formally met six times during the financial period being reported; two of these being done via correspondence (rather than in person) due to the national restrictions in place from March 2020 until the end of the academic year. Attendance/contribution at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mohammed Akeil	3	6
Belal Ali	6	6
Anna Buckett	3	6
Sue Hynard	6	6
Richard Kershaw	4	6
Stephen Nunn	6	6
Nick Oliver	5	6
Gopi Sampath (Joined 24 Jun 2020)	0	1

**REVIEW OF VALUE FOR MONEY**

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

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

- Further enhancing the reputation of the school in the community following the Good grade from OFSTED, resulting in increased pupil numbers, and a more efficient staff to pupil ratio.
- Further improving the school as a safe and attractive learning environment with the refurbishment of several shared areas.
- Improving the effectiveness of the teaching staff resource through strong performance management
- Leading the school during lockdown, ensuring that it remained open to key workers, that staff and pupils were kept safe and disruption to education was minimized.
- Enhancing the school's reputation by opening safely to as many pupils as possible as soon as possible
- Retaining staff through periods of uncertainty by taking a supportive and consultative approach to management

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hamilton Academy for the period 01 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 01 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**THE RISK AND CONTROL FRAMEWORK**

The Academy'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 Governing Body;
- regular reviews by the Finance and Buildings 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Paul Basham, a trustee, as Responsible Officer.

The Responsible Officer role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a regular basis, the Responsible Officer reports to the Governing Body, through the finance and buildings committee, on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The Responsible Officer has undertaken a testing programme covering key financial systems, including payroll, creditor payments, petty cash, and bank reconciliations. The Responsible Officer has not identified any material or significant weakness in the current internal control framework.

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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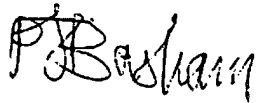
**REVIEW OF EFFECTIVENESS**

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Senior Leadership Team within the Academy 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 Buildings 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 Governing Body on 09 December 2020 and signed on its behalf by:



**Paul Basham**  
Chair of the Governing Body



**Stephen Nunn**  
Accounting Officer

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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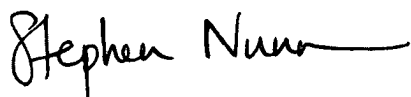
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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As accounting officer of Hamilton Academy, I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



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**Stephen Nunn**  
Accounting officer

09 December 2020

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 on 9 December 2020 and signed on its behalf by:



.....  
**Paul Basham**  
Chair of the Governing Body



.....  
**Stephen Nunn**  
Accounting Officer

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HAMILTON ACADEMY**

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**Opinion**

We have audited the financial statements of Hamilton Academy (the 'Academy Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HAMILTON ACADEMY (CONTINUED)**

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**Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HAMILTON ACADEMY (CONTINUED)**

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**Responsibilities of trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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**

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

  
**BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)**

for and on behalf of  
**MHA MacIntyre Hudson**  
Chartered Accountants  
Statutory Auditors  
Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

Date: 26 January 2021

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HAMILTON ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 22 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hamilton Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Hamilton Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Hamilton Academy's funding agreement with the Secretary of State for Education dated 30 March 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HAMILTON ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquires of the Accounting Officer.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA MacIntyre Hudson*

**Reporting Accountant**

**MHA MacIntyre Hudson**

Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

Date: 26 January 2021

**HAMILTON ACADEMY**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset fund 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	-	14,381	44,217	58,598	183,312
Charitable activities	4	-	2,916,455	-	2,916,455	2,760,305
Other trading activities	5	40,844	9,436	-	50,280	66,447
Investments	6	672	-	-	672	998
<b>Total income</b>		<b>41,516</b>	<b>2,940,272</b>	<b>44,217</b>	<b>3,026,005</b>	<b>3,011,062</b>
<b>Expenditure on:</b>						
Raising funds		40,199	-	-	40,199	43,660
Charitable activities	8	1,564	2,976,768	158,459	3,136,791	3,159,524
<b>Total expenditure</b>	7	<b>41,763</b>	<b>2,976,768</b>	<b>158,459</b>	<b>3,176,990</b>	<b>3,203,184</b>
<b>Net income/ (expenditure)</b>		<b>(247)</b>	<b>(36,496)</b>	<b>(114,242)</b>	<b>(150,985)</b>	<b>(192,122)</b>
Transfers between funds	17	-	(56,235)	56,235	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	23	-	(422,000)	-	(422,000)	(226,000)
<b>Net movement in funds</b>		<b>(247)</b>	<b>(514,731)</b>	<b>(58,007)</b>	<b>(572,985)</b>	<b>(418,122)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		130,956	(1,095,092)	3,945,505	2,981,369	3,399,491
Net movement in funds		(247)	(514,731)	(58,007)	(572,985)	(418,122)
<b>Total funds carried forward</b>		<b>130,709</b>	<b>(1,609,823)</b>	<b>3,887,498</b>	<b>2,408,384</b>	<b>2,981,369</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 53 form part of these financial statements.

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07984125**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	14		3,887,498		3,835,775
			<u>3,887,498</u>		<u>3,835,775</u>
<b>Current assets</b>					
Debtors	15	192,880		140,577	
Cash at bank and in hand		425,154		401,766	
		<u>618,034</u>		<u>542,343</u>	
Creditors: amounts falling due within one year	16	(209,148)		(86,749)	
<b>Net current assets</b>			<u>408,886</u>		<u>455,594</u>
<b>Total assets less current liabilities</b>			<u>4,296,384</u>		<u>4,291,369</u>
Defined benefit pension scheme liability	23		(1,888,000)		(1,310,000)
<b>Total net assets</b>			<u><u>2,408,384</u></u>		<u><u>2,981,369</u></u>
<b>Funds of the Academy Trust</b>					
<b>Restricted funds:</b>					
Fixed asset funds	17	3,887,498		3,945,505	
Restricted income funds	17	278,177		214,908	
Pension reserve	17	(1,888,000)		(1,310,000)	
<b>Total restricted funds</b>	17		<u>2,277,675</u>		<u>2,850,413</u>
<b>Unrestricted income funds</b>	17		<u>130,709</u>		<u>130,956</u>
<b>Total funds</b>			<u><u>2,408,384</u></u>		<u><u>2,981,369</u></u>

The financial statements on pages 22 to 53 were approved by the Trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:



**Paul Basham**  
Chair of the Governing Body



**Stephen Nunn**  
Accounting Officer

The notes on pages 25 to 53 form part of these financial statements.

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	<b>188,681</b>	<b>(63,974)</b>
<b>Cash flows from investing activities</b>	20	<b>(165,293)</b>	<b>110,728</b>
<b>Change in cash and cash equivalents in the year</b>		<b>23,388</b>	<b>46,754</b>
Cash and cash equivalents at the beginning of the year		<b>401,766</b>	<b>355,012</b>
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<b>425,154</b>	<b>401,766</b>

The notes on pages 25 to 53 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies**

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

**1.1 Basis of preparation 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 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 the funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**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**

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 year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

- **Expenditure on raising funds**

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 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.

**1.6 Operating leases**

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

**1.7 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.8 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

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 each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold buildings	- 2% - 10% per annum
Furniture and equipment	- 10% - 50% per annum

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

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**1.11 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.12 Liabilities and provisions**

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

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

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

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.14 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases 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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**3. Income from donations and capital grants**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	-	14,381	-	14,381
Capital grants	-	-	44,217	44,217
	<u>-</u>	<u>14,381</u>	<u>44,217</u>	<u>58,598</u>

Comparatives for 2019:

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	215	32,604	-	32,819
Capital grants	-	-	150,493	150,493
	<u>215</u>	<u>32,604</u>	<u>150,493</u>	<u>183,312</u>

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**4. Funding for the Academy Trust's educational operations**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>
<b>DfE/ESFA grants</b>		
General Annual Grant (GAG)	2,298,086	2,298,086
Pupil premium	187,202	187,202
Other DfE/ESFA revenue grants	215,300	215,300
	<hr/>	<hr/>
	2,700,588	2,700,588
<b>Other government grants</b>		
SEN income	61,608	61,608
Other LA grants	135,271	135,271
	<hr/>	<hr/>
	196,879	196,879
<b>Other funding</b>		
Catering income	12,852	12,852
Trip income	6,136	6,136
	<hr/>	<hr/>
	18,988	18,988
	<hr/>	<hr/>
	2,916,455	2,916,455
	<hr/>	<hr/>

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**4. Funding for the Academy Trust's educational operations (continued)**

	Restricted funds 2019 £	Total funds 2019 £
<b>DfE/ESFA grants</b>		
General Annual Grant (GAG)	2,290,321	2,290,321
Pupil premium	185,585	185,585
Other DfE/ESFA revenue grants	113,909	113,909
	<u>2,589,815</u>	<u>2,589,815</u>
<b>Other government grants</b>		
SEN income	41,948	41,948
Other LA grants	81,429	81,429
	<u>123,377</u>	<u>123,377</u>
<b>Other funding</b>		
Catering income	24,349	24,349
Trip income	22,764	22,764
	<u>47,113</u>	<u>47,113</u>
	<u>2,760,305</u>	<u>2,760,305</u>

There were no unfulfilled conditions or other contingents attached to the government grants above.

**5. Income from other trading activities**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Hire of facilities	4,298	-	4,298
After school club income	13,642	-	13,642
Other self generated income	5,045	9,436	14,481
Insurance claims income	6,864	-	6,864
Rental income	2,311	-	2,311
Breakfast club income	8,684	-	8,684
	<u>40,844</u>	<u>9,436</u>	<u>50,280</u>

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**5. Income from other trading activities (continued)**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Hire of facilities	7,521	-	7,521
After school club income	22,057	-	22,057
Other self generated income	8,608	14,106	22,714
Rental income	1,989	-	1,989
Breakfast club income	12,166	-	12,166
	<u>52,341</u>	<u>14,106</u>	<u>66,447</u>

**6. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	<u>672</u>	<u>672</u>

	Unrestricted funds 2019 £	Total funds 2019 £
Investment income	<u>998</u>	<u>998</u>

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**7. Expenditure**

	<b>Staff Costs</b> <b>2020</b> £	<b>Premises</b> <b>2020</b> £	<b>Other</b> <b>2020</b> £	<b>Total</b> <b>2020</b> £
Expenditure on fundraising trading activities:				
Direct costs	<b>35,587</b>	-	<b>4,612</b>	<b>40,199</b>
Academy's education operations:				
Direct costs	<b>2,070,557</b>	<b>58,987</b>	<b>226,456</b>	<b>2,356,000</b>
Allocated support costs	<b>473,441</b>	<b>146,948</b>	<b>160,402</b>	<b>780,791</b>
	<b>2,579,585</b>	<b>205,935</b>	<b>391,470</b>	<b>3,176,990</b>
	<b>Staff Costs</b> <b>2019</b> £	<b>Premises</b> <b>2019</b> £	<b>Other</b> <b>2019</b> £	<b>Total</b> <b>2019</b> £
Expenditure on fundraising trading activities:				
Direct costs	<b>39,040</b>	-	<b>4,620</b>	<b>43,660</b>
Academy's education operations:				
Direct costs	<b>2,006,975</b>	<b>51,708</b>	<b>239,237</b>	<b>2,297,920</b>
Allocated support costs	<b>472,545</b>	<b>157,626</b>	<b>231,433</b>	<b>861,604</b>
	<b>2,518,560</b>	<b>209,334</b>	<b>475,290</b>	<b>3,203,184</b>

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	<b>2,356,000</b>	<b>780,791</b>	<b>3,136,791</b>

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	<b>2,297,920</b>	<b>861,604</b>	<b>3,159,524</b>

**Analysis of direct costs**

	Total funds 2020 £	Total funds 2019 £
Teaching and educational support staff	<b>2,070,557</b>	2,006,975
Depreciation	<b>158,459</b>	152,077
Technology costs	<b>42,614</b>	44,801
Educational supplies	<b>52,951</b>	54,580
Other staff costs	<b>7,580</b>	8,856
Educational consultancy	-	850
Other staff expenses	<b>1,129</b>	1,344
Other direct costs	<b>22,710</b>	28,437
	<b>2,356,000</b>	<b>2,297,920</b>

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Pension costs	23,000	23,000
Support staff costs	469,120	468,306
Technology costs	24,602	21,327
Cleaning	41,526	45,121
Catering supplies	72,253	101,033
Energy	33,074	33,980
Maintenance of premises and equipment	24,565	34,964
Legal and professional	7,120	7,205
Other support costs	62,711	98,154
Risk protection arrangement insurance	11,349	13,200
Governance costs	11,471	15,314
	<b>780,791</b>	<b>861,604</b>

**9. Analysis of specific expenses**

Included within expenditure are the following transactions:

	<b>Total £</b>	<b>Individual items above £5,000 Amount £</b>	<b>Reason</b>
Gifts made by the trust	99	-	

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**10. Net expenditure**

Net expenditure for the year includes:

	2020 £	2019 £
Operating lease rentals	5,707	3,626
Depreciation of tangible fixed assets	158,459	152,077
Fees paid to auditors for:		
- audit	7,150	6,950
- other services	3,775	4,125
	<u>166,991</u>	<u>166,778</u>

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,886,791	1,781,298
Social security costs	158,274	141,610
Pension costs	527,799	435,239
	<u>2,572,864</u>	<u>2,358,147</u>
Supply staff costs	2,400	156,174
Governance staff costs	4,321	4,239
	<u>2,579,585</u>	<u>2,518,560</u>

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**11. Staff (continued)**

**b. Staff numbers**

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

	<b>2020 No.</b>	<b>2019 No.</b>
Teachers	<b>31</b>	<b>29</b>
Administration and support	<b>66</b>	<b>68</b>
Management	<b>3</b>	<b>3</b>
	<b>100</b>	<b>100</b>

**c. Higher paid staff**

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

	<b>2020 No.</b>	<b>2019 No.</b>
In the band £80,001 - £90,000	<b>1</b>	<b>1</b>

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £302,116 (2019 £287,767).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**12. Related Party Transactions - Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Stephen Nunn, Head Teacher	Remuneration	80,000 - 85,000	80,000 - 85,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000
Caroline Comber, Staff Governor	Remuneration	45,000 - 50,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Steve Widd, Business Manager	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Harry Bryant, Staff Governor	Remuneration	45,000 - 50,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the year ended 31 August 2020, no expenses were reimbursed or paid directly to any Trustees (2019 - £890 to 1 Trustee).

Details of Trustees resigning before 1 September 2019 have not been shown.

**13. Trustees' and Officers' insurance**

The Academy Trust has opted into the Department of 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 membership.

**HAMILTON ACADEMY**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**14. Tangible fixed assets**

	Freehold property £	Furniture and equipment £	Total £
<b>Cost or valuation</b>			
At 1 September 2019	3,674,137	1,073,184	4,747,321
Additions	184,611	25,571	210,182
At 31 August 2020	<u>3,858,748</u>	<u>1,098,755</u>	<u>4,957,503</u>
<b>Depreciation</b>			
At 1 September 2019	366,971	544,575	911,546
Charge for the year	58,987	99,472	158,459
At 31 August 2020	<u>425,958</u>	<u>644,047</u>	<u>1,070,005</u>
<b>Net book value</b>			
At 31 August 2020	<u>3,432,790</u>	<u>454,708</u>	<u>3,887,498</u>
At 31 August 2019	<u>3,307,166</u>	<u>528,609</u>	<u>3,835,775</u>

Included in freehold property is land at a valuation of £1,254,050 (2019: £1,254,050) which is not depreciated.

The additions made to freehold property in the year include £137,166 for a fire upgrade project and £47,445 for asbestos removal.

**15. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	815	2,100
Other debtors	885	-
Prepayments and accrued income	143,553	111,024
VAT recoverable	47,627	27,453
	<u>192,880</u>	<u>140,577</u>

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**16. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>86,285</b>	30,121
Other creditors	<b>45,197</b>	-
Accruals and deferred income	<b>77,666</b>	56,628
	<b>209,148</b>	86,749
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2019	<b>43,376</b>	42,746
Resources deferred during the year	<b>46,587</b>	43,376
Amounts released from previous periods	<b>(43,376)</b>	(42,746)
	<b>46,587</b>	43,376

Deferred income relates to income received in advance in respect of a free school meals grant relating to 2020/2021.

**HAMILTON ACADEMY**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**17. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General unrestricted funds	130,956	41,516	(41,763)	-	-	130,709
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	2,298,086	(2,185,560)	(112,526)	-	-
Pupil premium	-	187,202	(187,202)	-	-	-
SEN grant income	-	61,608	(61,608)	-	-	-
Other restricted funds	-	42,805	(42,805)	-	-	-
Other DfE/ESFA grants	9,338	215,300	(208,322)	-	-	16,316
Funds on conversion	205,570	-	-	56,291	-	261,861
Other government grants	-	135,271	(135,271)	-	-	-
Pension reserve	(1,310,000)	-	(156,000)	-	(422,000)	(1,888,000)
	<u>(1,095,092)</u>	<u>2,940,272</u>	<u>(2,976,768)</u>	<u>(56,235)</u>	<u>(422,000)</u>	<u>(1,609,823)</u>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	3,835,775	-	(158,459)	210,182	-	3,887,498
CIF grant	109,270	33,145	-	(142,415)	-	-
Capital grants	460	11,072	-	(11,532)	-	-
	<u>3,945,505</u>	<u>44,217</u>	<u>(158,459)</u>	<u>56,235</u>	<u>-</u>	<u>3,887,498</u>
<b>Total Restricted funds</b>	<u>2,850,413</u>	<u>2,984,489</u>	<u>(3,135,227)</u>	<u>-</u>	<u>(422,000)</u>	<u>2,277,675</u>
<b>Total funds</b>	<u>2,981,369</u>	<u>3,026,005</u>	<u>(3,176,990)</u>	<u>-</u>	<u>(422,000)</u>	<u>2,408,384</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**17. Statement of funds (continued)**

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

All general funds are held for the purposes of education in line with the Academy's objectives.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education and Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

Other government grants and DfE/ESFA grants represent grants from the respective bodies.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The restricted fixed assets fund has been set up to recognise the tangible assets transferred to the Academy on conversion and purchased by the Academy following conversion.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**17. Statement of funds (continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>General unrestricted funds</b>	<b>124,089</b>	<b>53,554</b>	<b>(46,687)</b>	<b>-</b>	<b>-</b>	<b>130,956</b>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	2,290,321	(2,341,064)	50,743	-	-
Pupil premium	-	185,585	(185,585)	-	-	-
SEN grant income	-	41,948	(41,948)	-	-	-
Other restricted funds	-	93,823	(93,823)	-	-	-
Other DfE/ESFA grants	-	113,909	(104,571)	-	-	9,338
Funds on conversion	256,313	-	-	(50,743)	-	205,570
Other government grants	-	81,429	(81,429)	-	-	-
Pension reserve	(928,000)	-	(156,000)	-	(226,000)	(1,310,000)
	<b>(671,687)</b>	<b>2,807,015</b>	<b>(3,004,420)</b>	<b>-</b>	<b>(226,000)</b>	<b>(1,095,092)</b>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	3,947,089	-	(152,077)	40,763	-	3,835,775
CIF grant	-	115,762	-	(6,492)	-	109,270
Capital grants	-	34,731	-	(34,271)	-	460
	<b>3,947,089</b>	<b>150,493</b>	<b>(152,077)</b>	<b>-</b>	<b>-</b>	<b>3,945,505</b>
<b>Total Restricted funds</b>	<b>3,275,402</b>	<b>2,957,508</b>	<b>(3,156,497)</b>	<b>-</b>	<b>(226,000)</b>	<b>2,850,413</b>
<b>Total funds</b>	<b>3,399,491</b>	<b>3,011,062</b>	<b>(3,203,184)</b>	<b>-</b>	<b>(226,000)</b>	<b>2,981,369</b>

**HAMILTON ACADEMY**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	3,887,498	3,887,498
Current assets	130,709	487,325	-	618,034
Creditors due within one year	-	(209,148)	-	(209,148)
Pension liability	-	(1,888,000)	-	(1,888,000)
<b>Total</b>	<b>130,709</b>	<b>(1,609,823)</b>	<b>3,887,498</b>	<b>2,408,384</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,835,775	3,835,775
Current assets	130,956	301,657	109,730	542,343
Creditors due within one year	-	(86,749)	-	(86,749)
Pension liability	-	(1,310,000)	-	(1,310,000)
<b>Total</b>	<b>130,956</b>	<b>(1,095,092)</b>	<b>3,945,505</b>	<b>2,981,369</b>

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**19. Reconciliation of net expenditure to net cash flow from operating activities**

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	<b>(150,985)</b>	(192,122)
<b>Adjustments for:</b>		
Depreciation	<b>158,459</b>	152,077
Capital grants from DfE and other capital income	<b>(44,217)</b>	(150,493)
Interest receivable	<b>(672)</b>	(998)
Defined benefit pension scheme finance cost	<b>156,000</b>	156,000
Increase in debtors	<b>(52,303)</b>	(32,530)
Increase in creditors	<b>122,399</b>	4,092
<b>Net cash provided by/(used in) operating activities</b>	<b>188,681</b>	(63,974)

**20. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	<b>672</b>	998
Purchase of tangible fixed assets	<b>(210,182)</b>	(40,763)
Capital grants from DfE Group	<b>44,217</b>	150,493
<b>Net cash (used in)/provided by investing activities</b>	<b>(165,293)</b>	110,728

**21. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	<b>425,154</b>	401,766

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**22. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	401,766	23,388	425,154
	<u>401,766</u>	<u>23,388</u>	<u>425,154</u>

**23. Pension commitments**

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

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

Contributions amounting to £44,852 were payable to the schemes at 31 August 2020 (2019 - £NIL) and are included within creditors.

**Teachers' Pension Scheme**

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**23. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £267,256 (2019 - £171,668).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £164,000 (2019 - £166,000), of which employer's contributions totalled £130,000 (2019 - £132,000) and employees' contributions totalled £ 34,000 (2019 - £34,000). The agreed contribution rates for future years are 22.9 per cent for employers and 16.8 per cent for employees.

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

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**23. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.25</b>	3.70
Rate of increase for pensions in payment/inflation	<b>2.25</b>	2.20
Discount rate for scheme liabilities	<b>1.60</b>	1.85
Inflation assumption (CPI)	<b>2.25</b>	2.20
RPI increases	<b>3.05</b>	3.20

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

	<b>2020</b>	<b>2019</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.8</b>	22.9
Females	<b>25.1</b>	24.8
<i>Retiring in 20 years</i>		
Males	<b>23.2</b>	24.6
Females	<b>26.6</b>	26.7

**Sensitivity analysis**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>3,556</b>	2,835
Discount rate -0.1%	<b>3,741</b>	2,964
Mortality assumption - 1 year increase	<b>3,793</b>	3,004
Mortality assumption - 1 year decrease	<b>3,507</b>	2,798
CPI rate +0.1%	<b>3,732</b>	2,959
CPI rate -0.1%	<b>3,565</b>	2,840

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**23. Pension commitments (continued)**

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

	2020 £	2019 £
Equities	964,000	854,000
Gilts	186,000	186,000
Corporate bonds	276,000	226,000
Property	110,000	108,000
Cash and other liquid assets	46,000	51,000
Alternative assets	177,000	164,000
<b>Total market value of assets</b>	<b>1,759,000</b>	<b>1,589,000</b>

The actual return on scheme assets was £51,000 (2019 - £121,000).

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

	2020 £	2019 £
Current and past service cost	(262,000)	(264,000)
Interest cost	(23,000)	(23,000)
Administrative expenses	(1,000)	(1,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(286,000)</b>	<b>(288,000)</b>

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

	2020 £	2019 £
<b>Opening defined benefit obligation</b>	<b>2,899,000</b>	<b>2,247,000</b>
Current service cost	262,000	234,000
Interest cost	54,000	60,000
Employee contributions	34,000	34,000
Actuarial losses	415,000	310,000
Benefits paid	(17,000)	(16,000)
Past service costs	-	30,000
<b>Closing defined benefit obligation</b>	<b>3,647,000</b>	<b>2,899,000</b>

**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**23. Pension commitments (continued)**

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2020 £	2019 £
<b>Opening fair value of scheme assets</b>	<b>1,589,000</b>	<b>1,319,000</b>
Interest income	31,000	37,000
Actuarial (losses)/gains	(7,000)	84,000
Employer contributions	130,000	132,000
Employee contributions	34,000	34,000
Benefits paid	(17,000)	(16,000)
Admin expenses	(1,000)	(1,000)
<b>Closing fair value of scheme assets</b>	<b>1,759,000</b>	<b>1,589,000</b>

	2020 £	2019 £
<b>The amount shown in the Statement of Financial Activities is:</b>		
Changes in financial assumptions	(525,000)	(458,000)
Return on assets excluding amounts included in net interest	20,000	84,000
Changes in demographic assumptions	83,000	148,000
<b>Actuarial gains/(losses) on defined benefit pension schemes</b>	<b>(422,000)</b>	<b>(226,000)</b>

	2020 £	2019 £
<b>The amount shown in the Balance Sheet is:</b>		
Present value of defined benefit obligation	(3,647,000)	(2,899,000)
Fair value of scheme assets	1,759,000	1,589,000
<b>Defined benefit pension scheme liability</b>	<b>(1,888,000)</b>	<b>(1,310,000)</b>

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**HAMILTON ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**24. Operating lease commitments**

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	8,389	3,489
Later than 1 year and not later than 5 years	19,462	5,815
	<u>27,851</u>	<u>9,304</u>

**25. Members' liability**

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

**26. Related party transactions**

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

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.