

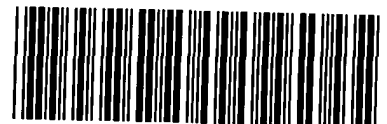
Company Registration No. 09129775 (England and Wales)

**HAMPTON ACADEMIES TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**COPY FOR SUBMISSION TO THE**  
**REGISTRAR OF COMPANIES**

SATURDAY



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COMPANIES HOUSE

# HAMPTON ACADEMIES TRUST

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# HAMPTON ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Trustees</b>	A J Kingsley (Chair of Trustees) L R Cross S O East W E J Emmingham A K Garcia A D Gardiner (Resigned 31 August 2017) J Grant S L Hogg E V Knowles-Pardoe (Resigned 27 September 2017) M J Patchett D Pope H E Price	
<b>Members</b>	A J Kingsley A D Gardiner J Grant J Kennedy	
<b>Senior management team</b>	H E Price J Gilligan A Macfarlane R Armour P Edenbrow M Goode  A Yeoman S Judge J Kidd P Jones Z Trigg A Greenwood C A Behan	- Executive Headteacher - Head of School - Hampton College - Deputy Head of School - Hampton College - Assistant Head of School - Hampton College - Assistant Head of School - Hampton College - Assistant Head of School - Hampton College (until 31/08/17) - Assistant Head of School - Hampton College - Associate Assistant Head of School - Hampton College - Associate Assistant Head of School - Hampton College - Head of School - Primary phase - Deputy Head of School - Primary phase - Head of School - Hampton Gardens - Director of Finance and Resources
<b>Company secretary</b>	C A Behan	
<b>Company registration number</b>	09129775 (England and Wales)	
<b>Registered office</b>	Hampton College Eagle Way Hampton Vale Peterborough Cambridgeshire PE7 8BF	
<b>Academies operated</b>	<b>Location</b>	<b>Head of School</b>
Hampton College - Secondary	Peterborough	J Gilligan
Hampton College - Primary	Peterborough	P Jones
Hampton Gardens	Peterborough	A Greenwood

# HAMPTON ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Independent auditor</b>	Rawlinsons Chartered Accountants Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire PE1 2SP
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<b>Bankers</b>	Lloyds Bank Plc 99 High Street Huntingdon Cambridgeshire PE29 3DU
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# HAMPTON ACADEMIES TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

#### **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 Hampton Academies Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy business. The insurance provides cover up to £2,000,000.

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

The management of the trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

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

The training and induction provided for new Trustees is dependent upon their existing experience; an induction pack is given to all Trustees. During the period, the Trust has subscribed to the Governing Training Programme provided by the local authority, Specialist Schools Academies Trust and The Key for School Governors. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that they will need to undertake their role as Trustees.

# HAMPTON ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Organisational structure

The Trust has established a management structure to enable its efficient running. The structure consists of four levels: Members, Trustees and then at individual school level - local Governors and the Senior Leadership Team.

Based around an agreed scheme of delegation for the Trust, it was considered and decided that Members would approve the strategic direction and objectives of the Trust, Trustees would ensure operational alignment with the trust strategy as well as manage financial and personnel oversight and that delegated responsibility to local governing bodies would be to monitor progress of standards outcomes and broader school objectives.

The Trust has established a secure financial management structure including the scheme of delegation, robust internal control procedures and terms of reference for the all Trust and Local Governing Body committees.

Trustees and Governors are responsible for setting general policy, adopting an annual budget plan, monitoring the Trust's expenditure and income and making major decisions (alongside the Members strategic plan) about the direction of the academy including capital expenditure and the appointment of senior staff.

The Executive Headteacher is the academy's Accounting Officer and has responsibility for the Trust's overall management and staffing. The Executive Headteacher is responsible for ensuring compliance with the Academies Financial Handbook, the Trust's Funding Agreement and all relevant aspects of company and charitable law. The delivery of the Trust's detailed accounting functions are delegated to the Director of Finance and Resources.

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

The pay and remuneration for all key personnel is determined and approved by the trustees and reviewed on an annual basis. All key personnel who are teaching staff are employed under the terms and conditions of the School Teachers' Pay and Conditions Document (STPCD). Salary pay ranges are determined following the guidance in the STPCD and included within the staffing structure which is reviewed annually. Incremental progression for key personnel on their individual pay ranges for their role is determined and agreed through the annual performance appraisal scheme which all teaching staff are subject to.

The pay and remuneration for non-teaching key personnel who are not employed on the STPCD is determined and approved by the trustees. Job roles are externally evaluated by the trust's HR advisors and also benchmarked against other similar roles both locally and nationally before an appropriate pay scale is agreed. Key personnel who are non-teaching staff must also complete a successful performance review for an incremental pay progression or other remuneration to be awarded.

### Related parties and other connected charities and organisations

The trust is not part of any connected organisations. Details of related party transactions are disclosed in note 21 to the financial statements.

### **Objectives and activities**

#### Objects and aims

The aim of the Hampton Academies Trust is to provide a broad and balanced education to children and young people in our locality. We aspire to high standards of attainment and progress, aiming to contribute to the raising of educational standards in the Greater Peterborough area.

# HAMPTON ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Objectives, strategies and activities

Members, Trustees, Governors and school leaders have considered what we really value in education, which is summed up in our motto: progress, partnership, pride.

#### *Progress*

We will work hard to ensure that students receive excellent teaching, that the curriculum is relevant to their needs and that they receive all the support they need to fulfil their potential. We also believe very strongly in the importance of extra-curricular activities such as clubs and visits, as they develop values and qualities that are valuable in later life.

#### *Partnership*

We are determined that Hampton Academies Trust will continue to be known for its positive relationships: students work well with each other, and they enjoy good working relationships with staff, with a high level of mutual respect. The Trust aims to develop strong relationships with its community, including other primary schools, neighbouring secondary schools, and local businesses.

We work hard to establish a partnership with parents/carers, and to ensure that they feel welcome at the Trust, and fully involved in their child's education.

#### *Pride*

We expect the highest standards at all times. We want students to be proud of their own achievements and happy to receive awards from us, sometimes in public gatherings. We expect students to wear the Hampton Academies Trust uniform with pride because we want them to show that being a Hampton Academies Trust student is something really special. Over the next year, and as the Trust moves forward, we hope that parents/carers, and the whole community, will be really proud of the work that goes on here.

### **Vision and Values**

Our vision as a Trust is to meet the needs of our students and equip them to fulfil their potential.

#### 1. We Value People:

- Our schools will be welcoming places, at the heart of its community, valuing all people and their talents, beliefs and cultures equally;
- Students will feel safe and respected as individuals at school; they will feel happy to come to HAT schools to learn;
- All staff will feel valued, informed and involved in decision making;
- Parents and carers will feel well informed, and involved in their child's education.
- We recognise families as sources of love and care for their members, and as the basis of a society in which people care for others.

#### 2. We value learning:

- HAT schools will provide for high quality teaching and learning, involving challenging and enjoyable activities; this will enable our students to think, and to produce high quality work;
- Our curriculum will cater for a wide range of ability and talent, and will provide students with a broad, general education of the highest quality. We will provide an outstanding choice of extracurricular activities.

#### 3. We value positive behaviour:

- HAT schools will have a positive ethos, which emphasises respect, responsibility and participation;
- Students will be encouraged to grow spiritually, morally, socially and culturally;
- We will place a high emphasis on maintaining positive relationships with students based on honesty and fairness;
- We will expect all members of the HAT school community to act with courtesy, respect and good manners;
- We will emphasise the pleasure in learning, and we will do our best to make sure that fun is part of the experience for all at HAT schools.

# HAMPTON ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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4. We value health:

- HAT schools will promote the importance of healthy living, and we will emphasise its impact on learning;
- In all areas of operation, HAT will stress the importance of healthy eating; students will be encouraged to drink water in most classes;
- The sites are no-smoking areas at all times;
- We believe that the health and safety of students, staff and visitors are of paramount importance, and they will always be our first consideration;
- We will work with students, parents/carers and relevant external agencies to promote safe travel to and from school;
- In the interest of safety, students will receive clear messages about items that should not be brought onto HAT premises, or on school visits.

5. We value leadership:

- HAT schools will be well governed, managed and led, having excellent relationships with other schools and agencies. Resources will be used effectively to support learning;
- Students will be offered opportunities to show responsibility, and to develop leadership skills.

6. We value our community:

- HAT schools will emphasise the opportunities and responsibilities that life in a large community can bring;
- We will make our facilities available to members of our community for learning and for leisure;
- HAT schools will enhance community life;
- Students will be made aware of the positive roles they can play in our global community;
- Students will learn to respect religious and cultural diversity.

7. We value our environment:

- We will provide an outstanding learning environment: stimulating, colourful and well cared for;
- Students will learn to respect their environment at a local, national and international level.

8. We value the future:

- We will develop the next generation of citizens and leaders, willing and able to play active roles in their communities;
- We will lead out into the world young people who feel positive about themselves and demonstrate a passion for life, who respect the rights of other people and who are ready to make their mark.

Our strategies and key objectives are detailed in two key documents: the Strategic Plan and Development Plan. These plans are reviewed annually to assess and measure impact and progress of all key objectives and to set future targets to ensure the best outcomes for our students.

### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.



# HAMPTON ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Strategic report

#### Achievements and performance

##### Review of activities including key performance indicators

Hampton College currently has 1436 students on roll. There are 354 children in the Primary Phase (Reception – Year 4), 916 in the Secondary Phase and 166 Post-16 students. Hampton College continues to grow and in the next year will welcome an additional 60 children in the primary phase when the school opens Year 6, as well as seeing continued growth in the secondary phase with each year group increasing to 210 by September 2019.

Hampton Gardens school opened September 2017 to an intake of 180 students in year 7.

Hampton College was last inspected by OFSTED in May 2017. The Overall Effectiveness of the College was judged to be 'Good.' All areas of the College's provision (Achievement, Quality of Teaching, Leadership and Management, Behaviour and Safety of Students) were judged to be 'Good.'

The inspection report identified many positive aspects of the College including:

- The leadership team has maintained the good quality of education in the school since the previous inspection.
- Since the previous inspection, pupils have usually made good progress by the end of key stage 4.
- Parents and pupils are very positive about the quality of education provided in the primary phase of the school.
- Inspection evidence indicates that pupils who have special educational needs and/or disabilities typically make good or improving progress from their starting points.
- Inspection evidence endorses the views expressed that pupils are carefully supported, behave well and typically make good progress
- Leaders, including governors, carry out thorough self-evaluation, taking stock of a breadth of information about the quality of provision, including the views of staff, parents and pupils.
- Pupils told inspectors they feel safe at the school. They cited the secure, modern school site and the approachability of adults as reasons for this sense of safety.

#### Achievement and Progress

- Early Years - Pupils' achievement at Expected+ ranged from 90% to 71% in the 17 areas of learning. 70% achieved at least the expected level in all areas. Progress was pleasing, as 5% of the cohort have EHCPs.
- Key Stage 1 - Pupils' achievement and progress were both strong in 2017 with reading, writing and mathematics data above local and national results in all areas at Expected+ and at Greater Depth.
- Key Stage 4 – Attainment and Progress for English were in line with national and local averages. In Mathematics, both were below average, which we expect to result in an overall negative progress score for KS4. Validated data is not yet available, but we expect to be below average on the Progress 8 measure for 2017. A detailed raising achievement plan is in place to address outcomes in Mathematics and to raise overall progress across all subjects for 2018.
- Key Stage 5 – We achieved our best ever A Level/ Post 16 results in 2017, achieving significantly positive value added scores for both our Academic and Vocational pathways.

A detailed breakdown of Hampton College's performance and any in-year updates are available on the DfE website.

#### Going concern

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

# HAMPTON ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Financial review

The Hampton Academies Trust's income is derived in the main from the Department for Education (DfE - via the Education and Skills Funding Agency (ESFA) in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA and other sources during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also received an element of funding for the acquisition and replacement of fixed assets (DFC) from the ESFA. In accordance with the charities statement of recommended practice, "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Income from charitable activities for the year ended 31 August 2017 totalled £7.2m which after expenditure left a small deficit before transfers and other recognised gains and losses.

The financial year ended 31 August 2017 recognised a £378,000 actuarial gain on the Hampton Academies Trust defined benefit pension scheme. Hampton Academies Trust brought forward an inherited pension liability of £1.135m on their local government defined benefit pension scheme.

The net book value of tangible fixed assets was £37m; movements in tangible assets are shown in note 12 to the financial statements. The assets were exclusively for providing educational and associated support services to students and the community.

#### Reserves policy

The trustees have given careful consideration to the level of reserves held by the trust. The trust seeks to maintain its commitment to delivering high quality education at the best value for money, within the funding available from the ESFA and other sources.

The reserves held by the trust for the year ended 31 August 2017 totalled £35,629,751 but only £393,747 of this is freely available because the balance is invested in fixed assets or has a restriction for other purposes including the deficit on the local government pension scheme of £1,986,000.

Restricted fixed asset funds of £37,245,233 are represented by the value of fixed assets of £37,043,703 and funding for Hampton Gardens of £201,530 that will be spent in the next financial year.

Restricted funds are in a deficit position of £23,229 (excluding the pension reserve) as the trust is carrying a deficit of £26,781 on start up grants because expenditure has been incurred for the new school at Hampton Gardens for which funding will be received in September 2017.

The trust is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

#### Investment policy and powers

The trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the trust aims to invest surplus cash funds to optimise returns, whilst ensuring that the investment instruments are such that there is no risk to the loss of these funds.

Investments may only be made in accordance with written procedures approved by the Governing Body.

# HAMPTON ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Principal risks and uncertainties

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision for facilities and other operational aspects of the academy, and its finances. The principal risk facing the academy is insufficient demand for academy's services, leaving it unsustainable.

The trustees have implemented a number of systems to assess the other risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, safeguarding, and educational trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. recruitment and safeguarding procedures including vetting of new staff and visitors, robust health and safety procedures and regular externally led audits) and internal financial controls. The trustees have also ensured they have adequate insurance cover during the period.

A comprehensive risk register has been produced and is being monitored by the trustees to ensure that risks are treated or tolerated depending on the urgency and potential impact of the risk. This risk register is updated on an annual basis. Sufficient cash is held in reserve to enable the academy to support any financial issues that it may experience. The academy has robust financial procedures which are implemented appropriately at all times.

### **Plans for future periods**

In 2015 the Trust was successful in its bid to open a Free School in the locality and has secured significant funding to cover the cost of erecting a new purpose built secondary school. The new school, Hampton Gardens is an 11-18 Secondary School which serves the communities of Yaxley, Cambridgeshire and Hampton, Peterborough. The school opened in September 2017 with a phased intake starting with Year 7 and growing until the school reaches capacity of 1200 with an additional 300 places post-16.

The Trust was also successful in its bid to open a Primary Free School in the locality and was once again successful in securing significant funding for the project. The new school, Hampton Lakes will be a two form entry 4-11 Primary School serving the expanding Hampton community, located in close proximity to the trusts other schools.

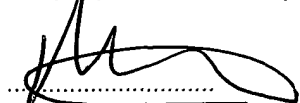
### **Auditor**

In so far as the trustees are aware:

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

A resolution proposing that Rawlinsons Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ...12/12/17... and signed on its behalf by:



A J Kingsley

Chair of Trustees

# HAMPTON ACADEMIES TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Hampton Academies Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Executive 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 Hampton Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A J Kingsley (Chair of Trustees)	5	5
L R Cross	4	5
S O East	4	5
W E J Emmingham	4	5
A K Garcia	5	5
A D Gardiner (Resigned 31 August 2017)	5	5
J Grant	5	5
S L Hogg	2	5
E V Knowles-Pardoe (Resigned 27 September 2017)	2	5
M J Patchett	5	5
D Pope	5	5
H E Price	5	5

The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to ensure sound management of the academy finances and resources, including proper planning, monitoring and probity; most particularly by:

- assisting to promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds;
- promoting a climate of financial discipline and the opportunity for financial mismanagement.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A J Kingsley (Chair of Trustees)	3	4
W E J Emmingham	4	4
A K Garcia	2	4
J Grant	4	4
H E Price	4	4

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# HAMPTON ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

The audit committee is a sub-committee of the main board of trustees. Its purpose is to scrutinise the academy budget and finance, internal controls systems and risk management arrangements, most particularly by:

- assisting to promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds;
- improving the quality of financial reporting by reviewing internal and external financial statements on behalf of the governing body;
- promoting a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement; and
- promoting the development of internal controls and risk management systems which will satisfy the board of trustees that the academy will achieve its objectives and targets and are operating:
  - in accordance with any statutory requirements for the use of public funds;
  - within delegated authorities laid down by the governing body;
  - in a manner which will make most economic and effective use of resources available.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A J Kingsley (Chair of Trustees)	3	3
W E J Emmingham	1	3
A K Garcia	3	3
M J Patchett	3	3
H E Price	3	3

#### Review of value for money

As accounting officer the Executive 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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Undertaking local and national benchmarking exercises to ensure expenditure in key areas is consistent or lower than other similar academies whilst still achieving required outcomes.
- Reviewing internal administrative processes and procedures and implementing changes to increase efficiency.
- Undertaking a review of site management service charges and contracts to ensure they are fit for purpose and provide best value in terms of cost versus performance.
- Pursuing alternative sources of funding to improve provision and acquire additional services and resources for the academy. Examples of secured this year include:
  - Successful bid to EMI Music securing £1,000 of funding to purchase musical instruments.
  - On-going Enthuse Funding to support CPD for Science staff.

#### 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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hampton Academies Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

# **HAMPTON ACADEMIES TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Rawlinsons Chartered Accountants as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

On a termly basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

The internal auditor delivers against a prescribed schedule of works (aligned to ESFA Guidance) and a written report was circulated to the audit committee following their visit - no material control issues arose as a result of their work.

### **Review of effectiveness**

As accounting officer the Executive 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 internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

# HAMPTON ACADEMIES TRUST

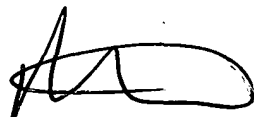
## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**


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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 general purposes committee and audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 12/12/17 and signed on its behalf by:



A J Kingsley  
Chair of Trustees



H E Price  
Accounting Officer

# **HAMPTON ACADEMIES TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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As accounting officer of Hampton Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.

H E Price  
Accounting Officer





# HAMPTON ACADEMIES TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The trustees (who also act as governors for Hampton Academies Trust and are also the directors of Hampton Academies Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education 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 accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

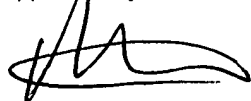
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 12/12/17 and signed on its behalf by:



A J Kingsley  
Chair of Trustees

# HAMPTON ACADEMIES TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPTON ACADEMIES TRUST

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### Opinion

We have audited the accounts of Hampton Academies Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# **HAMPTON ACADEMIES TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPTON ACADEMIES TRUST (CONTINUED)**

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

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

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

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

# HAMPTON ACADEMIES TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPTON ACADEMIES TRUST (CONTINUED)

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

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

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

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



Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)  
for and on behalf of Rawlinsons Chartered Accountants

14/12/17

Chartered Accountants  
Statutory Auditor

Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

# **HAMPTON ACADEMIES TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HAMPTON ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 7 June 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hampton Academies Trust during the period 1 September 2016 to 31 August 2017 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 Hampton Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hampton Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hampton Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Hampton Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Hampton Academies Trust's funding agreement with the Secretary of State for Education dated 27 August 2014 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 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:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.

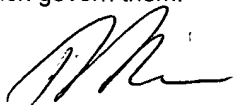
## HAMPTON ACADEMIES TRUST

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

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#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tracey Richardson BSc (Hons) FCA

**Reporting Accountant**

Rawlinsons Chartered Accountants

Dated: .....14/12/17.....

# HAMPTON ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General    Fixed asset		Total 2017 £	Total 2016 £
			£	£		
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	22,304,421	22,304,421	21,668
Charitable activities:						
- Funding for educational operations	3	130,368	7,073,699	-	7,204,067	6,407,399
Other trading activities	4	6,586	-	-	6,586	100,017
Investments	5	656	-	-	656	1,213
<b>Total income and endowments</b>		<b>137,610</b>	<b>7,073,699</b>	<b>22,304,421</b>	<b>29,515,730</b>	<b>6,530,297</b>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	120,177	7,389,555	97,684	7,607,416	6,849,705
<b>Total expenditure</b>	<b>6</b>	<b>120,177</b>	<b>7,389,555</b>	<b>97,684</b>	<b>7,607,416</b>	<b>6,849,705</b>
<b>Net income/(expenditure)</b>		<b>17,433</b>	<b>(315,856)</b>	<b>22,206,737</b>	<b>21,908,314</b>	<b>(319,408)</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	378,000	-	378,000	(830,000)
<b>Net movement in funds</b>		<b>17,433</b>	<b>62,144</b>	<b>22,206,737</b>	<b>22,286,314</b>	<b>(1,149,408)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		376,314	(2,071,373)	15,038,496	13,343,437	14,492,845
Total funds carried forward		393,747	(2,009,229)	37,245,233	35,629,751	13,343,437

# HAMPTON ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	-	21,668	21,668
Charitable activities:					
- Funding for educational operations	3	156,721	6,250,678	-	6,407,399
Other trading activities	4	100,017	-	-	100,017
Investments	5	1,213	-	-	1,213
<b>Total income and endowments</b>		<u>257,951</u>	<u>6,250,678</u>	<u>21,668</u>	<u>6,530,297</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	<u>244,037</u>	<u>6,550,968</u>	<u>54,700</u>	<u>6,849,705</u>
<b>Total expenditure</b>	6	<u>244,037</u>	<u>6,550,968</u>	<u>54,700</u>	<u>6,849,705</u>
<b>Net income/(expenditure)</b>		13,914	(300,290)	(33,032)	(319,408)
Transfers between funds		(233,783)	162,939	70,844	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	19	-	(830,000)	-	(830,000)
<b>Net movement in funds</b>		<u>(219,869)</u>	<u>(967,351)</u>	<u>37,812</u>	<u>(1,149,408)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>596,183</u>	<u>(1,104,022)</u>	<u>15,000,684</u>	<u>14,492,845</u>
Total funds carried forward		<u>376,314</u>	<u>(2,071,373)</u>	<u>15,038,496</u>	<u>13,343,437</u>



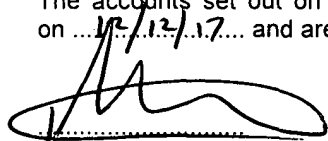
# HAMPTON ACADEMIES TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	12	37,043,703	15,038,496
<b>Current assets</b>			
Debtors	14	234,099	81,052
Cash at bank and in hand		1,090,595	852,085
		1,324,694	933,137
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(752,646)	(509,196)
<b>Net current assets</b>		572,048	423,941
<b>Net assets excluding pension liability</b>		37,615,751	15,462,437
Defined benefit pension liability	19	(1,986,000)	(2,119,000)
<b>Net assets</b>		35,629,751	13,343,437
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		37,245,233	15,038,496
- Restricted income funds		(23,229)	47,627
- Pension reserve		(1,986,000)	(2,119,000)
<b>Total restricted funds</b>		35,236,004	12,967,123
<b>Unrestricted income funds</b>	17	393,747	376,314
<b>Total funds</b>		35,629,751	13,343,437

The accounts set out on pages 21 to 45 were approved by the board of trustees and authorised for issue on 12/12/17 and are signed on its behalf by:



A J Kingsley  
Chair of Trustees  
Company Number 09129775

# HAMPTON ACADEMIES TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	20		(11,341)		(48,992)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		656		1,213	
Capital grants from DfE and ESFA		504,936		21,668	
Payments to acquire tangible fixed assets		(255,741)		(70,844)	
			249,851		(47,963)
<b>Change in cash and cash equivalents in the reporting period</b>			238,510		(96,955)
Cash and cash equivalents at 1 September 2016			852,085		949,040
<b>Cash and cash equivalents at 31 August 2017</b>			1,090,595		852,085

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hampton Academies Trust meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

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

##### 1.3 Income

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

###### Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

###### Donations

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

###### Other income

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

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

#### Donated fixed assets

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

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

### 1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The building in which Hampton College operates, which is included in long-term leasehold property, is based on an ESFA valuation as the construction cost was not available at the time of transfer.

On 11 August 2017 the academy was donated the building for Hampton Gardens School. This was built using a free school bid. The building is included as an addition to long-term leasehold property at construction cost.

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

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

Long-term leasehold property	No depreciation
Leasehold improvements	10% straight line
Office equipment	20% straight line
Computer equipment	33.33% straight line

Buildings are not depreciated on the grounds of immateriality. Buildings are subject to regular maintenance and repair such that in the governors opinion the residual value is not materially different from the value in the financial statements and have a long useful economic life. The governors consider the need for impairment at each period end.

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

#### 1.6 Liabilities

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

#### 1.7 Leasing and hire purchase commitments

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

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

# **HAMPTON ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **1 Accounting policies**

**(Continued)**

#### **1.9 Taxation**

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

#### **1.10 Pensions benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### **1.11 Fund accounting**

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

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

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

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

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

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 1 Accounting policies

(Continued)

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.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Donated fixed assets	-	21,799,485	21,799,485	-
Capital grants	-	504,936	504,936	21,668
	-	22,304,421	22,304,421	21,668

On 11 August 2017 the academy was donated the building for Hampton Gardens School. This was built using a free school bid. The building is included as an addition to long-term leasehold property at construction cost.

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	5,890,228	5,890,228	5,410,674
Start up grants	-	147,000	147,000	63,000
Other DfE / ESFA grants	-	407,502	407,502	334,893
	-	6,444,730	6,444,730	5,808,567
<b>Other government grants</b>				
Local authority grants	-	623,919	623,919	438,420
<b>Other funds</b>				
Other incoming resources	130,368	5,050	135,418	160,412
<b>Total funding</b>	130,368	7,073,699	7,204,067	6,407,399

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	-	-	-	60
Catering income	-	-	-	96,985
Income from resale to pupils	1,582	-	1,582	736
Locker fees	5,004	-	5,004	2,236
	6,586	-	6,586	100,017

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Interest received	656	-	656	1,213



# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
<b>Academy's educational operations</b>					
- Direct costs	5,180,283	-	682,042	5,862,325	5,137,297
- Allocated support costs	910,724	234,603	599,764	1,745,091	1,712,408
	<u>6,091,007</u>	<u>234,603</u>	<u>1,281,806</u>	<u>7,607,416</u>	<u>6,849,705</u>
<b>Total expenditure</b>	<u>6,091,007</u>	<u>234,603</u>	<u>1,281,806</u>	<u>7,607,416</u>	<u>6,849,705</u>

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

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	4,000	4,000
- Other services	5,215	3,150
- Internal audit	1,950	-
Depreciation of tangible fixed assets	<u>50,019</u>	<u>33,032</u>

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	114,420	5,747,905	5,862,325	5,137,297
Support costs - educational operations	5,757	1,739,334	1,745,091	1,712,408
	<u>120,177</u>	<u>7,487,239</u>	<u>7,607,416</u>	<u>6,849,705</u>

### Analysis of costs

	2017 £	2016 £
<b>Direct costs</b>		
Teaching and educational support staff costs	5,118,434	4,464,171
Staff development	61,849	67,240
Technology costs	159,501	151,086
Educational supplies and services	293,077	233,126
Examination fees	109,145	100,274
Other direct costs	<u>122,221</u>	<u>121,400</u>
	<u>5,864,227</u>	<u>5,137,297</u>

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

<b>7 Charitable activities</b>	<b>(Continued)</b>	
<b>Support costs</b>		
Support staff costs	910,724	811,295
Depreciation and amortisation	50,019	33,032
Recruitment and support	9,023	-
Maintenance of premises and equipment	182,682	171,688
Occupancy costs	274,087	258,958
Catering	95,253	207,308
Pension finance costs	47,000	47,000
Other support costs	156,768	172,705
Governance costs	17,633	10,422
	<u>1,743,189</u>	<u>1,712,408</u>
<b>8 Governance costs</b>		
	<b>Total</b>	<b>Total</b>
<b>All from restricted funds:</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts included in support costs</b>		
Legal and professional fees	5,298	13
Auditor's remuneration		
- Audit of financial statements	4,000	4,000
- Other audit costs	7,165	3,924
Other governance costs	1,170	2,485
	<u>17,633</u>	<u>10,422</u>
<b>9 Staff costs</b>		
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,332,410	4,092,208
Social security costs	415,166	332,066
Operating costs of defined benefit pension schemes	967,126	741,413
Apprenticeship levy	1,838	-
Staff costs	<u>5,716,540</u>	<u>5,165,687</u>
Supply staff costs	271,354	81,259
Staff development and other staff costs	103,113	95,760
Total staff expenditure	<u>6,091,007</u>	<u>5,342,706</u>

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs

(Continued)

#### Staff numbers

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

	2017 Number	2016 Number
Teachers	74	72
Administration and support	103	94
Management	13	9
	<u>190</u>	<u>175</u>

#### Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1
	<u>4</u>	<u>4</u>

Three of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme.

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £875,021 (2016 - £654,191).

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 10 Trustees' remuneration and expenses

During the year retirement benefits were accruing to 2 trustees (2016 - 3) in respect of defined benefit pension schemes.

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Executive Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and other staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

H E Price (principal and trustee)

Remuneration £100,000 - £105,000 (2016 - £100,000 - £105,000)

Employer's pension contributions £15,000 - £20,000 (2016 - £15,000 - £20,000)

E V Knowles - Pardoe (staff governor and trustee)

Remuneration £45,000 - £50,000 (2016 - £45,000 - £50,000)

Employer's pension contributions £5,000 - £10,000 (2016 - £15,000 - £20,000)

S J Britten (staff governor and trustee) - Resigned as a trustee on 31/08/2016

Remuneration £nil (2016 - £15,000 - £20,000)

Employer's pension contributions £nil (2016 - £0 - £5,000)

Other related party transactions involving the trustees are set out within the related parties note.

### 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 is included in the total insurance cost of £49,909.

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

	Long-term leasehold property	Leasehold improvements	Computer equipment	Office equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2016	14,879,000	40,608	106,861	50,965	15,077,434
Additions	21,799,485	-	251,973	3,768	22,055,226
At 31 August 2017	36,678,485	40,608	358,834	54,733	37,132,660
<b>Depreciation</b>					
At 1 September 2016	-	3,485	23,321	12,132	38,938
Charge for the year	-	4,062	35,264	10,693	50,019
At 31 August 2017	-	7,547	58,585	22,825	88,957
<b>Net book value</b>					
At 31 August 2017	36,678,485	33,061	300,249	31,908	37,043,703
At 31 August 2016	14,879,000	37,123	83,540	38,833	15,038,496

The building in which Hampton College operates, which is included in long-term leasehold property, is based on an ESFA valuation as the construction cost was not available at the time of transfer.

On 11 August 2017 the academy was donated the building for Hampton Gardens School. This was built using a free school bid. The building is included as an addition to long-term leasehold property at construction cost.

### 13 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Trade debtors	885	941
Accrued income	80,280	44,122
Bank and cash	1,090,595	852,085
	1,171,760	897,148
<b>Carrying amount of financial liabilities</b>		
Trade creditors	102,833	107,526
Other creditors	96,709	89,672
Accruals	344,280	19,339
	543,822	216,537

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

<b>14 Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	885	941
VAT recoverable	23,708	16,658
Prepayments and accrued income	209,506	63,453
	<u>234,099</u>	<u>81,052</u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	102,833	107,526
Other taxation and social security	104,640	97,878
Other creditors	96,709	89,672
Accruals and deferred income	448,464	214,120
	<u>752,646</u>	<u>509,196</u>
<b>16 Deferred income</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	<u>104,184</u>	<u>194,781</u>
Deferred income at 1 September 2016	194,781	142,377
Released from previous years	(194,781)	(103,354)
Amounts deferred in the year	<u>104,184</u>	<u>155,758</u>
<b>Deferred income at 31 August 2017</b>	<u><b>104,184</b></u>	<u><b>194,781</b></u>

Deferred income relates to a grant received for the provision of free school meals of £34,924 for the first term of the next financial year and income received of £69,260 for trips that are taking place in the next financial year.

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	-	5,890,228	(5,886,676)	-	3,552
Start up grants	45,485	147,000	(219,266)	-	(26,781)
Other DfE / ESFA grants	-	407,502	(407,502)	-	-
Other government grants	-	623,919	(623,919)	-	-
Other restricted funds	2,142	5,050	(7,192)	-	-
	<u>47,627</u>	<u>7,073,699</u>	<u>(7,144,555)</u>	<u>-</u>	<u>(23,229)</u>
Funds excluding pensions	47,627	7,073,699	(7,144,555)	-	(23,229)
Pension reserve	(2,119,000)	-	(245,000)	378,000	(1,986,000)
	<u>(2,071,373)</u>	<u>7,073,699</u>	<u>(7,389,555)</u>	<u>378,000</u>	<u>(2,009,229)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	14,879,000	-	-	-	14,879,000
DfE / ESFA capital grants	-	504,936	(47,665)	(255,741)	201,530
Assets acquired with funding	159,496	-	(50,019)	255,741	365,218
Assets donated to academy	-	21,799,485	-	-	21,799,485
	<u>15,038,496</u>	<u>22,304,421</u>	<u>(97,684)</u>	<u>-</u>	<u>37,245,233</u>
<b>Total restricted funds</b>	<u>12,967,123</u>	<u>29,378,120</u>	<u>(7,487,239)</u>	<u>378,000</u>	<u>35,236,004</u>
<b>Unrestricted funds</b>					
General funds	<u>376,314</u>	<u>137,610</u>	<u>(120,177)</u>	<u>-</u>	<u>393,747</u>
<b>Total funds</b>	<u>13,343,437</u>	<u>29,515,730</u>	<u>(7,607,416)</u>	<u>378,000</u>	<u>35,629,751</u>
<b>General unrestricted funds include the following designated funds:</b>					
Trips and events	-	105,307	(114,420)	9,113	-
Charitable donations	-	8,526	(5,757)	-	2,769
Balance of general funds	<u>376,314</u>	<u>23,777</u>	<u>-</u>	<u>(9,113)</u>	<u>390,978</u>
	<u>376,314</u>	<u>137,610</u>	<u>(120,177)</u>	<u>-</u>	<u>393,747</u>

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 17 Funds

(Continued)

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

**Unrestricted funds:**

General funds - those resources which may be used towards meeting any of the objects of the academy at the discretion of the trustees. These have not been designated for particular purposes.

**Restricted funds:**

General Annual Grant (GAG) - made up of a number of different funding streams from the ESFA, all of which are to be used to cover the running costs of the academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Start up grants - represent the funding received to set up Hampton Gardens school.

Other DfE / ESFA - represent ESFA and Local Authority grants received for specific purposes.

Other restricted funds - represents other income which must be used for the specific purposes intended.

Pension reserve - represents the current deficit balance of the Local Government Pension Scheme (LGPS).

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.

**Restricted fixed asset funds:**

ESFA capital grants - represents unspent grants received for which the specific purpose of capital expenditure has been imposed by the funder.

Assets transferred on conversion - represents the net book value of land and buildings transferred into the academy by the Local Authority upon conversion.

Assets acquired with funding - represent the net book value of fixed assets acquired with ESFA and other funding streams since conversion.

Assets donated to the academy - represents the net book value of the land and building donated to the academy.

The academy is carrying a deficit of £26,781 on start up grants in restricted general funds (excluding pension reserve) because expenditure has been incurred for the new school at Hampton Gardens for which funding will be received in September 2017.



# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	24,301	5,410,674	(5,597,914)	162,939	-
Start up grants	65,986	63,000	(83,501)	-	45,485
Other DfE / ESFA grants	-	334,893	(334,893)	-	-
Other government grants	-	438,420	(438,420)	-	-
Other restricted funds	11,691	3,691	(13,240)	-	2,142
	<u>101,978</u>	<u>6,250,678</u>	<u>(6,467,968)</u>	<u>162,939</u>	<u>47,627</u>
Funds excluding pensions					
Pension reserve	(1,206,000)	-	(83,000)	(830,000)	(2,119,000)
	<u>(1,104,022)</u>	<u>6,250,678</u>	<u>(6,550,968)</u>	<u>(667,061)</u>	<u>(2,071,373)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	14,879,000	-	-	-	14,879,000
DfE / ESFA capital grants	-	21,668	(21,668)	-	-
Private sector capital sponsorship	121,684	-	(33,032)	70,844	159,496
	<u>15,000,684</u>	<u>21,668</u>	<u>(54,700)</u>	<u>70,844</u>	<u>15,038,496</u>
<b>Total restricted funds</b>	<u>13,896,662</u>	<u>6,272,346</u>	<u>(6,605,668)</u>	<u>(596,217)</u>	<u>12,967,123</u>
<b>Unrestricted funds</b>					
General funds	596,183	257,951	(244,037)	(233,783)	376,314
<b>Total funds</b>	<u>14,492,845</u>	<u>6,530,297</u>	<u>(6,849,705)</u>	<u>(830,000)</u>	<u>13,343,437</u>

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

(Continued)

#### Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	Total £
Hampton College	397,299
Hampton Gardens	(26,781)
Total before fixed assets fund and pension reserve	370,518
Restricted fixed asset fund	37,245,233
Pension reserve	(1,986,000)
Total funds	35,629,751

#### Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Hampton College	5,015,772	873,853	266,427	1,232,098	7,388,150
Hampton Gardens	102,662	36,871	26,650	53,083	219,266
	5,118,434	910,724	293,077	1,285,181	7,607,416

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	37,043,703	37,043,703
Current assets	463,007	408,184	453,503	1,324,694
Creditors falling due within one year	(69,260)	(431,413)	(251,973)	(752,646)
Defined benefit pension liability	-	(1,986,000)	-	(1,986,000)
	393,747	(2,009,229)	37,245,233	35,629,751

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	15,038,496	15,038,496
Current assets	376,314	556,823	-	933,137
Creditors falling due within one year	-	(509,196)	-	(509,196)
Defined benefit pension liability	-	(2,119,000)	-	(2,119,000)
	<u>376,314</u>	<u>(2,071,373)</u>	<u>15,038,496</u>	<u>13,343,437</u>

### 19 Pensions and similar obligations

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

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

Contributions amounting to £94,874 (2016 - £87,689) were payable to the schemes at 31 August 2017 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

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

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £501,774 (2016 - £465,000).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.3% for employers and 5.5% - 9.9% for employees. The estimated value of employer contributions for the forthcoming year is £247,000.

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

Total contributions made	2017 £	2016 £
Employer's contributions	268,000	240,000
Employees' contributions	73,000	66,000
Total contributions	341,000	306,000
Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.7	4.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.1

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

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

	2017 Years	2016 Years
Retiring today		
- Males	22.4	22.5
- Females	24.4	24.5
Retiring in 20 years		
- Males	24.0	24.4
- Females	26.3	26.9

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

	2017 £'000	2016 £'000
0.5% decrease in discount rate	2,343	2,500
1 year increase in life expectancy	2,085	2,225
0.5% increase in salary increase rate	2,065	2,204
0.5% increase in pension increase rate	2,044	2,394

#### The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	1,054,000	637,000
Bonds	178,000	127,000
Property	96,000	59,000
Other assets	41,000	26,000
Total market value of assets	1,369,000	849,000
Actual return on scheme assets - gain/(loss)	180,000	113,000

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

	2017 £	2016 £
Current service cost	466,000	276,000
Interest income	(21,000)	(22,000)
Interest cost	68,000	69,000
Total operating charge	513,000	323,000

# HAMPTON ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

<b>19</b>	<b>Pensions and similar obligations</b>	<b>(Continued)</b>	
	<b>Changes in the present value of defined benefit obligations</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Obligations at 1 September 2016	2,968,000	1,636,000
	Current service cost	466,000	276,000
	Interest cost	68,000	69,000
	Employee contributions	73,000	66,000
	Actuarial (gain)/loss	(219,000)	921,000
	Benefits paid	(1,000)	-
	At 31 August 2017	3,355,000	2,968,000
	<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Assets at 1 September 2016	849,000	430,000
	Interest income	21,000	22,000
	Actuarial gain	159,000	91,000
	Employer contributions	268,000	240,000
	Employee contributions	73,000	66,000
	Benefits paid	(1,000)	-
	At 31 August 2017	1,369,000	849,000
<b>20</b>	<b>Reconciliation of net income/(expenditure) to net cash flows from operating activities</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Net income/(expenditure) for the reporting period	21,908,314	(319,408)
	Adjusted for:		
	Capital grants from DfE/ESFA and other capital income	(22,304,421)	(21,668)
	Investment income receivable	(656)	(1,213)
	Defined benefit pension costs less contributions payable	198,000	36,000
	Defined benefit pension net finance cost	47,000	47,000
	Depreciation of tangible fixed assets	50,019	33,032
	(Increase)/decrease in debtors	(153,047)	101,594
	Increase in creditors	243,450	75,671
	<b>Net cash used in operating activities</b>	<b>(11,341)</b>	<b>(48,992)</b>

# **HAMPTON ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **21 Related party transactions**

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

S L Hogg, a trustee, has provided counselling services to the academy through her business Harnessing Creativity as a self employed consultant. During the year, the academy paid Harnessing Creativity £6,975 (2016 - £8,545) for the services provided. These services have been provided at a value significantly less than full sales value.

A Kingsley, a trustee, has provided net support software and support to the academy free of charge through his IT company.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2016.

### **22 Members' liability**

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

### **23 Comparatives**

A number of income and expenditure notes have been reanalysed for the prior period, in order to show a consistent approach in line with the latest ESFA reporting requirements. This has not affected the surplus or deficit for the period.