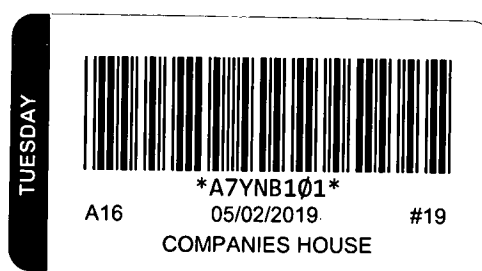


Company Registration No. 09129775 (England and Wales)

HAMPTON ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018

COPY FOR SUBMISSION TO THE
REGISTRAR OF COMPANIES



HAMPTON ACADEMIES TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 8
Governance statement	9 - 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditor's report on the accounts	15 - 17
<i>Independent reporting accountant's report on regularity</i>	18 - 19
Statement of financial activities including income and expenditure account	20 - 21
Balance sheet	22
Statement of cash flows	23
Notes to the accounts including accounting policies	24 - 46

HAMPTON ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	A J Kingsley (Chair of Trustees) L R Cross S O East W E J Emmingham (Resigned 1 June 2018) A K Garcia J Grant S L Hogg (Resigned 31 August 2018) E V Knowles-Pardoe (Resigned 27 September 2017) M J Patchett D Pope H E Price T Wilson (Appointed 9 October 2018)	
Members	A J Kingsley A D Gardiner J Grant J Kennedy A Sadler (Appointed 1 September 2018)	
Senior management team	H E Price J Gilligan A Macfarlane M Norris R Armour P Edenbrow R Tilley A Yeoman S Judge P Musson P Jones Z Trigg A Greenwood C A Behan	- Executive Headteacher - Head of School - Hampton College - Deputy 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 - 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
Company secretary	C A Behan	
Company registration number	09129775 (England and Wales)	
Registered office	Hampton College Eagle Way Hampton Vale Peterborough Cambridgeshire PE7 8BF	
Academies operated	Location	Head of School
Hampton College - Secondary	Peterborough	J Gilligan
Hampton College - Primary	Peterborough	P Jones
Hampton Gardens	Peterborough	A Greenwood

HAMPTON ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor Baldwins Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Bankers Lloyds Bank Plc
99 High Street
Huntingdon
Cambridgeshire
PE29 3DU

HAMPTON ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. 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, and to the date these accounts are approved, 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.

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.

HAMPTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

Trade union facility time

The Trust has bought in its facilities time from Peterborough City Council for the year as part of a de-delegation scheme. The cost to Hampton College for the year was £3,111 and the cost to Hampton Gardens for the year was £716.

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 24 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.

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.

HAMPTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

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.

HAMPTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

Strategic report

Achievements and performance

Review of activities including key performance indicators:

Hampton College currently has 1,526 students on roll. There are 415 children in the Primary Phase, 933 in the Secondary Phase and 178 Post-16 students.

Hampton Gardens school opened September 2017. There are currently 386 students on roll in years 7-8 and 28 Post-16 students. The school will grow a year group at a time until it reaches capacity (1,200 y7-11 and 300 Post-16).

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.

HAMPTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Achievement and Progress

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.

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 2018 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 2018 totalled £8.8m which after expenditure left a small deficit before transfers and other recognised gains and losses.

The financial year ended 31 August 2018 recognised a £602,000 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 14 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 2018 totalled £36,159,133 but only £459,166 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 £1,767,000.

Restricted fixed asset funds of £37,393,342 are represented by the value of fixed assets of £37,095,685 and funding for Hampton Gardens of £297,657 that will be spent in the next financial year.

Restricted funds are £103,625 (excluding the pension reserve). The trust is carrying a deficit of £26,322 on start up grants because expenditure has been incurred for the new school at Hampton Lakes for which funding will be received in September 2018.

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.

HAMPTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Investment policy

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.

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.

Fundraising

The Trust is compliant with the recognised standards of fundraising set out in the Code of Fundraising Practice. Hampton Academies Trust does not use professional fundraisers and there have been no complaints received by the Trust about fund raising activities carried out by the Trust in the year.

Plans for future periods

The Trust is currently in the pre-opening stage of a new Primary Free School in the locality. 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. The planned opening date for the school is September 2019 when the school will open in temporary accommodation (within Hampton College Primary Phase) to 30 reception children. The school will relocate to its permanent building in the spring of 2020. The PAN for the school will be 60 from September 2020 and the school will grow a year group at a time until it is full.

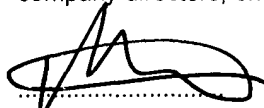
Auditor

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.

As a result of Rawlinsons joining the Baldwins Group, the auditors of the company have changed from Rawlinsons to Baldwins Audit Services. In accordance with the company's articles, a resolution proposing that Baldwins Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11/12/18 and signed on its behalf by:



A J Kingsley
Chair of Trustees

HAMPTON ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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)	6	6
L R Cross	5	6
S O East	4	6
W E J Emmingham (Resigned 1 June 2018)	3	5
A K Garcia	5	6
J Grant	4	6
S L Hogg (Resigned 31 August 2018)	4	6
E V Knowles-Pardoe (Resigned 27 September 2017)	0	0
M J Patchett	5	6
D Pope	5	6
H E Price	6	6
T Wilson (Appointed 9 October 2018)	0	0

Changes to Governance

There have been a number of changes to the trusts governance structure and composition during the year ending 31 August 2018:

- The number of Members at the trust has increased from 4 to 5.
- The membership of the board of trustees has been reviewed in light of the growth of the trust and the end of office for all trustees (31 August 2018). There are currently 9 Trustees who appointed to the board. The maximum number of trustees to be appointed to the board will be 12.
- There are only 2 Members who are also trustees.

The finance 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.

HAMPTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A J Kingsley (Chair of Trustees)	3	4
S O East	4	4
W E J Emmingham (Resigned 1 June 2018)	1	3
A K Garcia	4	4
J Grant	3	4
M J Patchett	4	4
D Pope	3	4
H E Price	4	4

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:

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A J Kingsley (Chair of Trustees)	1	1
L R Cross	1	1
A K Garcia	1	1
J Grant	1	1
M J Patchett	1	1
H E Price	1	1

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 administrating 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:
 - On-going Enthuse Funding to support CPD for Science staff.
 - Income from facilities lettings as Hampton Gardens.

HAMPTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

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 2017 to 31 August 2018 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 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 Baldwins Holdings Limited t/as Rawlinsons 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 is circulated to the audit committee after each 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.

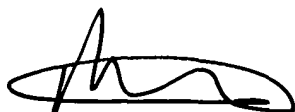
HAMPTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and 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 11.12.18 and signed on its behalf by:



A J Kingsley
Chair of Trustees



H E Price
Accounting Officer

HAMPTON ACADEMIES TRUST

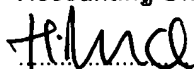
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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

H E Price
Accounting Officer



HAMPTON ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

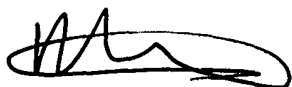
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 11/12/18 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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

HAMPTON ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

HAMPTON ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

11/12/18
.....

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 & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 20 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hampton Academies Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The 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.

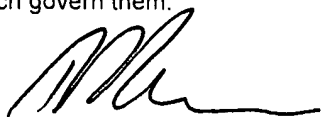
HAMPTON ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

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



Tracey Richardson BSc (Hons) FCA

Reporting Accountant

Baldwins Audit Services

Dated: 11/12/18

HAMPTON ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2018 £	Total 2017 £
Income and endowments from:					
Donations and capital grants	3	-	- 342,883	342,883	22,304,421
Charitable activities:					
- Funding for educational operations	4	257,558	8,560,391 -	8,817,949	7,204,067
Other trading activities	5	5,223	10,410 -	15,633	6,586
Investments	6	980	- -	980	656
Total		<u>263,761</u>	<u>8,570,801</u> <u>342,883</u>	<u>9,177,445</u>	<u>29,515,730</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	182,797	8,856,947 210,319	9,250,063	7,607,416
Total	7	<u>182,797</u>	<u>8,856,947</u> <u>210,319</u>	<u>9,250,063</u>	<u>7,607,416</u>
Net income/(expenditure)		80,964	(286,146) 132,564	(72,618)	21,908,314
Transfers between funds	19	(15,545)	- 15,545	-	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	602,000 -	602,000	378,000
Net movement in funds		<u>65,419</u>	<u>315,854</u> <u>148,109</u>	<u>529,382</u>	<u>22,286,314</u>
Reconciliation of funds					
Total funds brought forward		393,747	(2,009,229) 37,245,233	35,629,751	13,343,437
Total funds carried forward		<u>459,166</u>	<u>(1,693,375)</u> <u>37,393,342</u>	<u>36,159,133</u>	<u>35,629,751</u>

HAMPTON ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2017 £
Income and endowments from:					
Donations and capital grants	3	-	-	22,304,421	22,304,421
Charitable activities:					
- Funding for educational operations	4	130,368	7,073,699	-	7,204,067
Other trading activities	5	6,586	-	-	6,586
Investments	6	656	-	-	656
Total		137,610	7,073,699	22,304,421	29,515,730
Expenditure on:					
Charitable activities:					
- Educational operations	8	120,177	7,389,555	97,684	7,607,416
Total	7	120,177	7,389,555	97,684	7,607,416
Net income/(expenditure)		17,433	(315,856)	22,206,737	21,908,314
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	378,000	-	378,000
Net movement in funds		17,433	62,144	22,206,737	22,286,314
Reconciliation of funds					
Total funds brought forward		376,314	(2,071,373)	15,038,496	13,343,437
Total funds carried forward		393,747	(2,009,229)	37,245,233	35,629,751

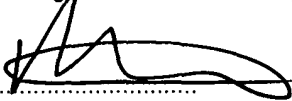
HAMPTON ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	14		37,095,685		37,043,703
Current assets					
Debtors	16	220,734		234,099	
Cash at bank and in hand		1,085,368		1,090,595	
		1,306,102		1,324,694	
Current liabilities					
Creditors: amounts falling due within one year	17	(475,654)		(752,646)	
Net current assets			830,448		572,048
Net assets excluding pension liability			37,926,133		37,615,751
Defined benefit pension scheme liability	21		(1,767,000)		(1,986,000)
Net assets			36,159,133		35,629,751
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			37,393,342		37,245,233
- Restricted income funds			73,625		(23,229)
- Pension reserve			(1,767,000)		(1,986,000)
Total restricted funds			35,699,967		35,236,004
Unrestricted income funds	19		459,166		393,747
Total funds			36,159,133		35,629,751

The accounts on pages 20 to 46 were approved by the trustees and authorised for issue on 11/12/18 and are signed on their behalf by:


A J Kingsley
Chair of Trustees

Company Number 09129775

HAMPTON ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash used in operating activities	22		(86,789)		(11,341)
Cash flows from investing activities					
Dividends, interest and rents from investments		980		656	
Capital grants from DfE and ESFA		342,883		504,936	
Payments to acquire tangible fixed assets		(262,301)		(255,741)	
			81,562		249,851
Change in cash and cash equivalents in the reporting period			(5,227)		238,510
Cash and cash equivalents at 1 September 2017			1,090,595		852,085
Cash and cash equivalents at 31 August 2018			1,085,368		1,090,595

HAMPTON ACADEMIES TRUST

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

1 Accounting policies

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

1.1 Basis of preparation

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

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

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 2018

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 2018

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. 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 of services it must provide.

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

1.11 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.

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Donated fixed assets	-	-	-	21,799,485
Capital grants	-	342,883	342,883	504,936
	-	342,883	342,883	22,304,421

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

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	7,617,281	7,617,281	5,890,228
Start up grants	-	30,000	30,000	147,000
Other DfE group grants	-	484,028	484,028	407,502
	-	8,131,309	8,131,309	6,444,730
Other government grants				
Local authority grants	-	429,082	429,082	623,919
Other funding				
Other incoming resources	257,558	-	257,558	135,418
Total funding	257,558	8,560,391	8,817,949	7,204,067

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	-	10,410	10,410	-
Income from resale to pupils	1,597	-	1,597	1,582
Locker fees	3,626	-	3,626	5,004
	5,223	10,410	15,633	6,586

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Interest received	980	-	980	656

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Academy's educational operations					
- Direct costs	6,144,147	-	810,371	6,954,518	5,864,227
- Allocated support costs	1,182,058	724,773	388,714	2,295,545	1,743,189
	<u>7,326,205</u>	<u>724,773</u>	<u>1,199,085</u>	<u>9,250,063</u>	<u>7,607,416</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	4,250	4,000
- Other services	5,483	5,215
- Internal audit	1,950	1,950
Depreciation of tangible fixed assets	210,319	97,684
Net interest on defined benefit pension liability	54,000	47,000
	<u>276,002</u>	<u>196,849</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	182,797	6,771,721	6,954,518	5,864,227
Support costs				
Educational operations	-	2,295,545	2,295,545	1,743,189
	<u>182,797</u>	<u>9,067,266</u>	<u>9,250,063</u>	<u>7,607,416</u>

Analysis of costs

	2018 £	2017 £
Direct costs		
Teaching and educational support staff costs	6,076,336	5,118,434
Staff development	67,811	61,849
Technology costs	180,701	159,501
Educational supplies and services	280,365	293,077
Examination fees	124,084	109,145
Other direct costs	225,221	122,221
	<u>6,954,518</u>	<u>5,864,227</u>

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities (Continued)

Support costs		
Support staff costs	1,182,058	910,724
Depreciation	210,319	50,019
Recruitment and support	-	9,023
Maintenance of premises and equipment	175,973	182,682
Rent, rates and other occupancy costs	338,481	274,087
Catering	134,328	95,253
Finance costs	54,000	47,000
Other support costs	186,303	156,768
Governance costs	14,083	17,633
	<u>2,295,545</u>	<u>1,743,189</u>

9 Governance costs

	Total	Total
All from restricted funds:	2018	2017
	£	£
Amounts included in support costs		
Legal and professional fees	-	5,298
Auditor's remuneration		
- Audit of financial statements	4,250	4,000
- Other audit costs	7,433	7,165
Other governance costs	2,400	1,170
	<u>14,083</u>	<u>17,633</u>

10 Central services

The academy trust does not have a central services function, however Hampton College does carry out various services on behalf of Hampton Gardens. These include:

- Executive Headteacher support;
- facilities management;
- human resources;
- finance function.

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

11 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	5,307,091	4,332,410
Social security costs	505,309	417,004
Pension costs	1,241,430	967,126
Staff costs	7,053,830	5,716,540
Agency staff costs	113,129	271,354
Staff development and other staff costs	159,246	103,113
Total staff expenditure	7,326,205	6,091,007

Staff numbers

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

	2018 Number	2017 Number
Teachers	86	74
Administration and support	127	103
Management	14	13
	227	190

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	3	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1
£120,001 - £130,000	1	-

Six (2017 - three) of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme.

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Staff

(Continued)

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 £1,263,589 (2017 - £875,021).

12 Trustees' remuneration and expenses

During the year retirement benefits were accruing to 2 trustees (2017 - 2) 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 (executive principal and trustee)

Remuneration £120,000 - £125,000 (2017 - £100,000 - £105,000)

Employer's pension contributions £15,000 - £20,000 (2017 - £15,000 - £20,000)

E V Knowles - Pardoe (staff governor and trustee) - resigned 27 September 2017

Remuneration £nil - £5,000 (2017 - £45,000 - £50,000)

Employer's pension contributions £nil - £5,000 (2017 - £5,000 - £10,000)

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

13 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 2018 is included in the total insurance cost of £52,240.

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

14 Tangible fixed assets

	Long-term leasehold property	Leasehold improvements	Computer equipment	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2017	36,678,485	40,608	358,834	54,733	37,132,660
Additions	-	5,432	235,104	21,765	262,301
At 31 August 2018	36,678,485	46,040	593,938	76,498	37,394,961
Depreciation					
At 1 September 2017	-	7,547	58,585	22,825	88,957
Charge for the year	-	4,062	193,399	12,858	210,319
At 31 August 2018	-	11,609	251,984	35,683	299,276
Net book value					
At 31 August 2018	36,678,485	34,431	341,954	40,815	37,095,685
At 31 August 2017	36,678,485	33,061	300,249	31,908	37,043,703

15 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Trade debtors	1,163	885
Accrued income	80,280	44,122
Bank and cash	1,085,368	1,090,595
	1,166,811	1,135,602
Carrying amount of financial liabilities		
Trade creditors	109,278	102,833
Other creditors	906	96,709
Accruals	84,434	344,280
	194,618	543,822

16 Debtors

	2018 £	2017 £
Trade debtors	1,163	885
VAT recoverable	33,879	23,708
Prepayments and accrued income	185,692	209,506
	220,734	234,099

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17	Creditors: amounts falling due within one year	2018	2017
		£	£
	Trade creditors	109,278	102,833
	Other taxation and social security	131,865	104,640
	Other creditors	906	96,709
	Accruals and deferred income	233,605	448,464
		<u>475,654</u>	<u>752,646</u>
18	Deferred income	2018	2017
		£	£
	Deferred income is included within:		
	Creditors due within one year	149,171	104,184
		<u>149,171</u>	<u>104,184</u>
	Deferred income at 1 September 2017	104,184	194,781
	Released from previous years	(104,184)	(194,781)
	Resources deferred in the year	149,171	104,184
		<u>149,171</u>	<u>104,184</u>
	Deferred income at 31 August 2018	149,171	104,184

Deferred income relates to a grant received for the provision of free school meals of £34,924 (2017 - £34,924) for the first term of the next financial year, rates income for the next financial year of £37,498 (2017 - £nil), GAG received in advance for Hampton Gardens of £9,651 (2017 - £nil) and income received of £67,098 (2017 - £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 2018

19 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG):					
- Hampton College	3,552	6,380,181	(6,268,843)	-	114,890
- Hampton Gardens	-	1,237,100	(1,235,672)	(26,781)	(25,353)
Start up grants	(26,781)	30,000	(56,322)	26,781	(26,322)
Other DfE / ESFA grants	-	484,028	(484,028)	-	-
Other government grants	-	429,082	(429,082)	-	-
Other restricted funds	-	10,410	-	-	10,410
Pension reserve	(1,986,000)	-	(383,000)	602,000	(1,767,000)
	<u>(2,009,229)</u>	<u>8,570,801</u>	<u>(8,856,947)</u>	<u>602,000</u>	<u>(1,693,375)</u>
Restricted fixed asset funds					
Transfer on conversion	14,879,000	-	-	-	14,879,000
DfE group capital grants	201,530	342,883	-	(246,756)	297,657
Assets acquired with funding	365,218	-	(210,319)	262,301	417,200
Assets donated to the academy	21,799,485	-	-	-	21,799,485
	<u>37,245,233</u>	<u>342,883</u>	<u>(210,319)</u>	<u>15,545</u>	<u>37,393,342</u>
Total restricted funds	<u>35,236,004</u>	<u>8,913,684</u>	<u>(9,067,266)</u>	<u>617,545</u>	<u>35,699,967</u>
Unrestricted funds					
General funds	393,747	80,964	-	(15,545)	459,166
Trips and events	-	182,797	(182,797)	-	-
	<u>393,747</u>	<u>263,761</u>	<u>(182,797)</u>	<u>(15,545)</u>	<u>459,166</u>
Total funds	<u>35,629,751</u>	<u>9,177,445</u>	<u>(9,250,063)</u>	<u>602,000</u>	<u>36,159,133</u>

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 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 2018.

Start up grants - The brought forward deficit represent the deficit to set up Hampton Gardens school in the prior year. Funding has been received in the year to set up Hampton Lakes 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 £26,322 (2017 - £26,781) on start up grants in restricted general funds (excluding pension reserve) because expenditure has been incurred for the new school at Hampton Lakes (2017 - Hampton Gardens) for which funding will be received next year.

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG):					
- Hampton College	-	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)	-	-
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>
Restricted fixed asset funds					
Transfer on conversion	14,879,000	-	-	-	14,879,000
DfE group capital grants	-	504,936	(97,684)	(255,741)	151,511
Assets acquired with funding	159,496	-	-	255,741	415,237
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>
Total restricted funds	<u>12,967,123</u>	<u>29,378,120</u>	<u>(7,487,239)</u>	<u>378,000</u>	<u>35,236,004</u>
Unrestricted funds					
General funds	376,314	23,777	-	(9,113)	390,978
Trips and events	-	105,307	(114,420)	9,113	-
	-	8,526	(5,757)	-	2,769
	<u>376,314</u>	<u>137,610</u>	<u>(120,177)</u>	<u>-</u>	<u>393,747</u>
Total funds	<u>13,343,437</u>	<u>29,515,730</u>	<u>(7,607,416)</u>	<u>378,000</u>	<u>35,629,751</u>

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG):					
- Hampton College	-	12,270,409	(12,155,519)	-	114,890
- Hampton Gardens	-	1,237,100	(1,235,672)	(26,781)	(25,353)
Start up grants	45,485	177,000	(275,588)	26,781	(26,322)
Other DfE / ESFA grants	-	891,530	(891,530)	-	-
Other government grants	-	1,053,001	(1,053,001)	-	-
Other restricted funds	2,142	15,460	(7,192)	-	10,410
Pension reserve	(2,119,000)	-	(628,000)	980,000	(1,767,000)
	<u>(2,071,373)</u>	<u>15,644,500</u>	<u>(16,246,502)</u>	<u>980,000</u>	<u>(1,693,375)</u>
Restricted fixed asset funds					
Transfer on conversion	14,879,000	-	-	-	14,879,000
DfE group capital grants	-	847,819	(97,684)	(502,497)	247,638
Assets acquired with funding	159,496	-	(210,319)	518,042	467,219
Assets donated to academy	-	21,799,485	-	-	21,799,485
	<u>15,038,496</u>	<u>22,647,304</u>	<u>(308,003)</u>	<u>15,545</u>	<u>37,393,342</u>
Total restricted funds	<u>12,967,123</u>	<u>38,291,804</u>	<u>(16,554,505)</u>	<u>995,545</u>	<u>35,699,967</u>
Unrestricted funds					
General funds	376,314	104,741	-	(24,658)	456,397
Trips and events	-	288,104	(297,217)	9,113	-
	-	8,526	(5,757)	-	2,769
	<u>376,314</u>	<u>401,371</u>	<u>(302,974)</u>	<u>(15,545)</u>	<u>459,166</u>
Total funds	<u>13,343,437</u>	<u>38,693,175</u>	<u>(16,857,479)</u>	<u>980,000</u>	<u>36,159,133</u>

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
Hampton College	574,056	397,299
Hampton Gardens	(14,943)	(26,781)
Hampton Lakes	(26,322)	-
Total before fixed assets fund and pension reserve	532,791	370,518
Restricted fixed asset fund	37,393,342	37,245,233
Pension reserve	(1,767,000)	(1,986,000)
Total funds	36,159,133	35,629,751

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Hampton College	5,275,831	940,608	207,587	1,156,539	7,580,565
Hampton Gardens	766,190	220,529	72,778	343,360	1,402,857
Hampton Lakes	34,315	20,921	-	1,086	56,322
	6,076,336	1,182,058	280,365	1,500,985	9,039,744

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	37,095,685	37,095,685
Current assets	536,675	471,770	297,657	1,306,102
Creditors falling due within one year	(77,509)	(398,145)	-	(475,654)
Defined benefit pension liability	-	(1,767,000)	-	(1,767,000)
Total net assets	459,166	(1,693,375)	37,393,342	36,159,133

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
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)
Total net assets	393,747	(2,009,229)	37,245,233	35,629,751

21 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £nil (2017 - £94,874) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension 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%

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 £596,964 (2017 - £501,774).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.3% for employers and 5.5% to 9.9% for employees. The estimated value of employer contributions for the forthcoming year is £312,000.

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

Total contributions made	2018 £	2017 £
Employer's contributions	322,000	268,000
Employees' contributions	88,000	73,000
Total contributions	410,000	341,000
Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension 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:

	2018 Years	2017 Years
Retiring today		
- Males	22.4	22.4
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.3	26.3

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

	2018 £'000	2017 £'000
0.5% decrease in discount rate	2,086	2,343
0.5% increase in salary increase rate	1,811	2,065
0.5% increase in pension increase rate	2,016	2,044

Defined benefit pension scheme net liability

Scheme assets	1,899,000	1,369,000
Scheme obligations	(3,666,000)	(3,355,000)
Net liability	(1,767,000)	(1,986,000)

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

	2018 Fair value £	2017 Fair value £
Equities	1,500,000	1,054,000
Bonds	209,000	178,000
Property	133,000	96,000
Other assets	57,000	41,000
Total market value of assets	1,899,000	1,369,000

The actual return on scheme assets was £124,000 (2017: £180,000).

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	651,000	466,000
Interest income	(39,000)	(21,000)
Interest cost	93,000	68,000
Total operating charge	705,000	513,000
Changes in the present value of defined benefit obligations	2018 £	2017 £
At 1 September 2017	3,355,000	2,968,000
Current service cost	651,000	466,000
Interest cost	93,000	68,000
Employee contributions	88,000	73,000
Actuarial gain	(517,000)	(219,000)
Benefits paid	(4,000)	(1,000)
At 31 August 2018	3,666,000	3,355,000
Changes in the fair value of the academy trust's share of scheme assets	2018 £	2017 £
At 1 September 2017	1,369,000	849,000
Interest income	39,000	21,000
Actuarial gain	85,000	159,000
Employer contributions	322,000	268,000
Employee contributions	88,000	73,000
Benefits paid	(4,000)	(1,000)
At 31 August 2018	1,899,000	1,369,000

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £	2017 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(72,618)	21,908,314
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(342,883)	(22,304,421)
Investment income receivable	(980)	(656)
Defined benefit pension costs less contributions payable	329,000	198,000
Defined benefit pension net finance cost	54,000	47,000
Depreciation of tangible fixed assets	210,319	50,019
Decrease/(increase) in debtors	13,365	(153,047)
(Decrease)/increase in creditors	(276,992)	243,450
Net cash used in operating activities	(86,789)	(11,341)

23 Commitments under operating leases

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

	2018 £	2017 £
Amounts due within one year	9,285	-
Amounts due in two and five years	39,606	-
	48,891	-

24 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 (resigned 31 August 2018), 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 £7,850 (2017 - £6,975) 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 2017.

HAMPTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.