

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2020

Company Registration Number
08528845 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR



Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2020

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Hamstead Hall Academy Trust
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Reference and Administrative Details

Members	Surinder Singh Buray Rachel Burroughs Peter French Pam Garrington Phillip Riggon
Directors	David Brown (appointed 15.10.19) Surinder Singh Buray Rupi Chandra (appointed 11.12.19) David Douglas Sukhbir Farar Peter French (resigned 11.12.19) Jonathan Mortimer Trystan Shaw (appointed 05.06.20) Rob Smith Rubhi Ubhi
Senior management team	
<ul style="list-style-type: none">• Executive Principal (joint)• Executive Principal (joint)• Director of Finance	Sukhbir Farar Jonathan Mortimer Tom Bill
Company name	Hamstead Hall Academy Trust
Principal and registered office	Craythorne Avenue Handsworth Wood Birmingham B20 1HL
Company registration number	08528845 (England and Wales)
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank Colore Row Branch PO Box 1000 Birmingham BX1 1LT
Solicitors	Stone King Solicitors LLP 13 Queens Square Bath BA1 2HJ

Hamstead Hall Academy Trust (A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2020

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

The multi academy trust operates one primary and one secondary school serving catchment areas in Handsworth Wood, Birmingham which are:

- Grestone Academy
- Hamstead Hall Academy

They have a combined pupil capacity of 1,750 and had a roll of 1,639 in the school census in October 2020. Although Hamstead Hall Academy is over PAN, Grestone Academy is not at capacity.

Structure, Governance and Management

Constitution

The multi 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 multi academy trust.

The Trustees of Hamstead Hall Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Hamstead Hall Academy Trust.

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 multi academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of Directors

In accordance with the Articles of Association the Members may appoint up to eight Directors. The total number of Directors including the Executive Principals who are employees of the Company shall not exceed one third of the total number of Directors.

There shall be a minimum of two Parent Directors unless there are Local Governing Bodies which each include at least two parent members. Parent members of a Local Governing Body shall be either elected or appointed with the terms of reference determined by the directors from time to time.

The Executive Principal shall be a Director for as long as she/he remain in office as such.

The Directors may appoint up to 1 Co-opted Director. The Directors may not co-opt an employee of the Company as a Co-opted Director if thereby the number of Directors who are employees of the Company would exceed one third of the total number of Directors including the Executive Principal.

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Trustees' report for the year ended 31 August 2020 (continued)

Policies and Procedures Adopted for the Induction and Training of Directors

The board of directors has a service level agreement with the National Governance Association to provide training, advice and support to the board of directors. Directors also have the opportunity to attend training events run by other organisations.

The Deputy Head of School at Hamstead Hall Academy is the leader for professional development in school, and she ensures that directors are provided with opportunities to receive training in accordance with their role, and the school's training plan.

Organisational structure

The Board of Directors are responsible for setting strategic direction and policy for the Trust at a corporate level across the group of Academies. The directors approve a Scheme of Delegation which covers key functions and levels of responsibility for directors, local governors and sub-committee members in terms of governance and levels of responsibility for senior staff in terms of leadership and management.

The Hamstead Hall Academy Trust Board is the main governing body across all academies in the trust, it has sub-committees where appropriate and these committees operate under a scheme of delegation which is reviewed and approved by the directors. The Trust was reconstituted in September 2017 to ensure that the governance structure was compliant and set up for future growth opportunities.

The committees are:

- Local Governing Bodies
- Finance and Resources Committee

The written terms of reference of the Finance and Resources Committee include the monitoring of the preparation and management of the Trust's budget and implementation of the Trust's financial management policies, including risk assessment.

The leadership structure within each academy consists of a Senior Leadership Team (SLT) which is responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of the senior leadership team is delegated to the Finance and Resources Committee and ratified by the Directors. It is set in accordance within the parameters of the national leadership pay scale using the benchmarks for the size of the individual academies.

Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2018 is as follows :

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent number
2	2.0

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Trustees' report for the year ended 31 August 2020 (continued)

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1% - 50%	2
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£1,749
Total pay bill	£8,776,910
Facility time as percentage of total pay bill	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Related parties and other Connected Charities and Organisations

There were no material related party transactions during the period other than disclosed in the financial statements.

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Trustees' report for the year ended 31 August 2020 (continued)

OBJECTIVES AND ACTIVITIES

Aims and Values

Our mission statement

Hamstead Hall Academy Trust aims to place learning at the heart of its community; creating an education sector that values all people (irrespective of age, race, ability and sexual orientation) in our community as learners and will support them to secure a better future for themselves and for our local area.

Our Vision

At Hamstead Hall Academy Trust, our vision is to create a learning community across our academies where we work together to support our learners of all ages to secure a better future for themselves through the pursuit of excellence in everything we do. We aim to provide:

- The widest possible range of opportunities for students, teachers, para-professionals and the community to feel fulfilled in their lifelong learning.
- A challenging edge for us all to achieve our individual best in all aspects of academy life.
- A real sense of belonging to a supportive learning community where we prepare students for success in the 21st century workplace.
- The best facilities possible to support our work.
- The feeling of a community: caring, supportive, improving and challenging with us all taking our share of responsibility to make this a reality'.

The Hamstead Hall Academy Trust seeks to be the place, which is the first choice for children to learn and staff to work. We will enhance children's life chances by maximising their educational outcomes through a broad and balanced, challenging curriculum, which develops best practice in teaching and learning, informed by research and the experiences of our staff across the Trust. Teaching staff in our academies are supported with opportunities for collaborative planning and development. The Trust will ensure that there is focussed, and personalised professional learning informed by robust and rigorous quality assurance across the academies to further improve teaching and learning and increase leadership capacity. The Trust's cross phase work will support us to become a centre of excellence in transition.

Our Values

- We treat people with respect be they learners, teachers, para-professionals in any context.
- We value the fact that we all learn at different rates, and we aim to support people along their individual learning pathway.
- We need to have the highest expectations of ourselves and of others. We should strive to do our best in all aspects of life.
- We should be very ready to share our ideas with others and value other people's ideas.

Our academies:

Hamstead Hall Academy

An 11–18 academy, in Handsworth Wood. There are approximately 1,120 students on role including approximately 180 in the sixth form. The academy serves the local community of Handsworth Wood and the deprived communities of Inner City Handsworth and Perry Barr. The academy has a very positive ethos, very high aspirations and demanding expectations that ensure high achievement. It is a culturally rich and diverse learning community, offering a broad education leading to excellent traditional, academic qualifications. Hamstead Hall Academy was founded on the current site over 45 years ago and blends tradition with innovation.

www.hamsteadhall.com

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Trustees' report for the year ended 31 August 2020 (continued)

Grestone Academy

A 4-11, three-form entry academy with a nursery, in Handsworth Wood. The academy serves the local community of Handsworth Wood and the deprived communities of Inner City Handsworth and Perry Barr. The academy has a very positive ethos, very high aspirations and demanding expectations that ensure achievement is improving. It is a culturally rich and diverse learning community. Grestone Academy was founded on the current site over 50 years ago.

www.grestoneacademy.com

Public benefit

In setting our objectives and planning our activities, the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit.

Hamstead Hall Academy Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

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Trustees' report for the year ended 31 August 2020 (continued)

Strategic Report

STRATEGIC REPORT

Although schools were closed for most students in March 2020, both academies remained open for vulnerable children and children of key workers.

In May, both academies set up a rota to receive more students in preparation for a full return in September. The priority for both academies was to ensure that they implemented systems and processes to make them Covid Secure.

Achievements and Performance

Hamstead Hall Academy

Ofsted graded Good (January 2019)

Target Outcomes 2019-2020

Teaching and Learning, student attainment and achievement

To continue to provide a strong focus on teaching, learning and assessment to support the achievement of the agreed whole school GCSE target:

Key Target 1: KS4 Progress 8 to be at least in line (i.e at least average).

Key Target 2: Post 16 Value Added to be at least in line (i.e at least average).

Both targets were met in 2020. However, there is a significant caveat to that. In 2020, due to Covid-19, schools were closed to most students and examinations for GCSE and A-Level were cancelled. Schools were asked to submit, 'Centre Assessed Grades.(CAGs)' Hamstead Hall followed a rigorous process to arrive at the grades submitted to the exam boards, drawing upon historical outcomes and referenced with external organisations such as FFT. This ensured that grades were fair and realistic. To that end, the government did not publish any outcomes from schools and performance tables were cancelled for 2020.

Key Stage 4

	Target 2020 (where appropriate)	CAGs 2020
Grades 4 or higher in English and Maths	60%	66%
Grades 5 or higher in English and Maths	40%	42%
Grades 4 or higher in English	75%	76%
Grades 5 or higher in English	55%	54%
Grades 4 or higher in Maths	70%	70%
Grades 5 or higher in Maths	50%	51%
Average EBACC APS (Per pupil)		4.1
Achieved EBACC (Grade 5 or higher)		15%
Attainment 8	45	45

Post 16

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Trustees' report for the year ended 31 August 2020 (continued)

A-Level CAGs 2020

Total Entry	Boys 51	Girls 43	Total 94
Average Point Score per A-Level entry (*)			29
Average grade per A-Level entry			C
%KS5 students achieving 3 or more A*-E			95
%KS5 students achieving 2 or more A*-E			98
%KS5 students achieving 1 or more A*-E			98
%KS5 students achieving 3 or more A*-B			10
%KS5 students achieving 2 or more A*-B			26
%KS5 students achieving 1 or more A*-B			54

Grestone Academy

Ofsted graded: Requires Improvement (February 2020).

The Ofsted Inspection in February 2020 demonstrated the progress the academy is making securing Good outcomes in:

Behaviour and attitudes – Good
 Personal Development - Good

Outcomes were expected to improve at Grestone Academy in 2020 following an upward trend over the previous three years, but as schools were closed to most students from March 2020, no outcomes were reported and Performance Tables were cancelled.

A significant investment from the Trust has been made to improve the learning areas in all parts of the school. All Corridors have been decorated and new library area created. Classrooms are being decorated on a rota with all KS1 areas completed.

The Trust has invested in new learning resources in all areas with a particular emphasis on Early Years, which is was an Ofsted priority area. Rapid progress has already been achieved here.

In March 2020, The Head of School Emma Ravenscroft left Grestone and the Trust appointed a new Interim Head of School, James Bird. The Trust engaged the services of Gill Turner, LLE (Head of Greenholm Academy) to act as a challenge partner to support the new appointment. This will continue into 2020-2021.

Other Key Performance Indicators

- Direct costs as a percentage of total costs were 73.3% (2019 :72.1%)
- Support costs as a percentage of total costs were 26.7% (2019 :27.9%)
- Total payroll costs as a percentage of recurring income were 83.4% (2019 : 79.4%)

Going concern

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

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Trustees' report for the year ended 31 August 2020 (continued)

Financial Review

The financial results of Hamstead Hall Academy Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the multi academy.

During the year ended 31 August 2020 total resources expended were £11,075,038 and the excess of expenditure over income was £560,726 which included depreciation of £570,168.

Reserves Policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves. It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2020 of £15,824,479 which included £501,923 restricted funds not available for general purposes of the multi academy trust, £479,545 of free reserves defined as unrestricted funds available for general purposes and £25,812,011 which can only be realised by the disposal of tangible fixed assets

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £981,468.

In addition, the deficit on the restricted pension fund of £10,969,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trust has no recourse to other revenue/income streams of any significance and maintaining a level of reserves is essential. The directors regularly review the level of reserves and aim to maintain them at a minimum of 4 weeks payroll.

Investment Policy

Due to the nature of the funding, the Academy Trust may at times hold cash balances surplus to its short term requirements. The Academy Trust's current policy is to only invest surplus funds in risk free and short term (1 to 3 months) accessible deposit accounts. No other form of investment is authorised.

These investments are carried out in accordance with the powers vested in the board of directors.

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

A continuing risk is our pension liability, valued in line with FRS102, which continues to cause concern for Hamstead Hall Academy Trust. The notes to the accounts explain these commitments more clearly and show that at 31 August 2020 we had a shortfall of £10,969,000 for the West Midlands Pension Fund, an increase of £2,431,000 during the year.

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Trustees' report for the year ended 31 August 2020 (continued)

Fundraising

Hamstead Hall Academy Trust carries out a limited amount of fundraising, and is mindful of the communities within which it operates. Fund-raising is generally through non-uniform days, there is no obligation on students/parents to support the charities. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules and ensures that all activities are agreed and monitored by senior leaders in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure. The Academy does not use the services of a professional fund-raiser.

Plans for Future Periods

Strategic Priorities 2018-2021

Our strategic priorities in the period 2018-2021 and relate to:

1. Student progress and achievement
2. Quality of teaching
3. Quality of education
4. Wellbeing, safety and behaviour for learning
5. Value for money
6. Leadership and Management
7. Estates and learning environment

Key Performance Indicators (KPI)

The following Key Performance Indicators relate to our trust priorities and will be reviewed annually and reported through the Trust's annual report.

KPI 1: Student achievement and standards

- i. All MAT Academies to be at least good.
- ii. Students make good progress with achievement at least in line with national averages
- iii. Attendance is at least in line with national averages.
- iv. All Academies are compliant, with health and safety, safeguarding and other appropriate statutory requirements.
- v. Quality of teaching is high as evidenced through QA processes.

KPI 2: Staffing

- i. All academies are fully staffed with highly skilled staff
- ii. All staff have access to high quality professional learning
- iii. Leadership pathways provide opportunities to improve leadership and develop leadership capacity.

KPI 3: Governance

- i. Governance structure in place which is compliant and in line with DFE guidance for MATs.
- ii. Governors are recruited with appropriate skills and experience to ensure that Local Governing Bodies have a full complement.
- iii. Governors and Directors hold leaders to account and provide appropriate challenge.

KPI 4: Finance.

- i. Value for money is secured across the Trust

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Trustees' report for the year ended 31 August 2020 (continued)

- ii. Trust finances are strong and return a surplus
- iii. Staffing costs across the Trust are at 80% of total Trust income
- iv. Audit reports indicate financial systems are compliant and fit for purpose
- v. Risk management register in place which informs future planning.

Growth Strategy

Our primary focus is to meet Key Performance Indicators for the academies in our Trust and ensure that these academies are in a strong and sustainable position. However, should other academies wish to join our MAT and take advantage of the benefits we can offer, we will consider each request individually. In addition to this, with a wide range of experience of school to school support for many years, the Trust would be willing to consider requests from the DFE or RSC to sponsor new academies to join our Trust

Strategic intent

- Explore the possibility of growth on the MAT.
- Students attending Hamstead Hall Academy Trust academies have access to high quality resources and provision in and beyond the classroom.
- Students attending Hamstead Hall Academy Trust academies make excellent progress and achieve highly.
- A coherent professional learning programme is embedded across the Trust in line with the priorities for improvement to ensure that our academies are staffed with high quality professionals who are supported to improve further.
- Accommodation, premises and estates are safe, well-maintained and constantly improving.
- The Trust continues to be outward facing working with a range of partners to contribute to system leadership to meet the needs of learners locally and nationally.
- Continue to improve infrastructure to ensure sound financial management and value for money across the Trust.

How will we build capacity to achieve this?

- Develop partnerships that will support our learners to excel
- Maintain a strong focus on teaching and learning
- Develop and empower our leaders at all levels.

Funds Held as Custodian Trustee on Behalf of Others

The Academy and its Trustees do not act as the Custodian Trustees of any other charity.

Auditor

Insofar 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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ~~8 DECEMBER~~ 2020 and signed on the board's behalf by:



David Brown - Chair of Trustees

Hamstead Hall Academy Trust
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Governance statement for the year ended 31 August 2020

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Hamstead Hall Academy 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 Principal 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 Hamstead Hall Academy 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 Directors' Report and in the Statement of Directors' Responsibilities. The **board of directors** has formally met 4 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Director	Meetings attended	Out of a possible
David Brown (appointed 15.10. 19)	4	4
Surinder Singh Buray	4	4
Rupi Chandra (appointed 11.12.19)	3	3
David Douglas	4	4
Sukhbir Farar	3	4
Peter French (resigned 11.12.19)	1	1
Jonathan Mortimer	4	4
Trystan Shaw (appointed 05.06.20)	2	2
Rob Smith	4	4
Rubhi Ubhi	3	4

The trust intends to conduct its next self-evaluation/external review during the current academic year.

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Governance statement for the year ended 31 August 2020 (continued)

The **finance and general purposes committee** is a sub-committee of the main board of trustees. Its purpose is to have a strategic overview of the Environment, Finance and Staffing of both academies in the trust, to develop robust strategies and policies which complies with all its relevant statutory responsibilities.

Trustee	Meetings attended	Out of a possible
David Douglas	5	5
Sukhbir Farar	3	5
Jonathan Mortimer (Accounting Officer)	5	5
Rob Smith (Chair of Committee)	5	5
Trystan Shaw	1	1

Review of value for money

As accounting officer, the Executive Principal has responsibility for ensuring that the multi 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 directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Multi Academy Trust has delivered improved value for money during the year by :

- Improved outcomes across the Trust
- Reviewing staffing structures across the Trust and implementing appropriate actions to increase efficiency and reduce staffing costs to ensure sustainability and become more in line with recommended benchmarking levels.
- Improve systems across the Trust to ensure more coherence and consistency. For example, financial systems have been updated and improved to ensure greater transparency, rigour and accountability.

The Purpose of the System of Internal Control

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

Capacity to handle risk

The board of trustees has reviewed the key risks to which the multi 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 on-going process for identifying, evaluating and managing the multi academy trust's significant risks that has been in place for the year to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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Governance statement for the year ended 31 August 2020 (continued)

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor to carry out the duties under a service level agreement with RSM Risk Assurance Services LLP.

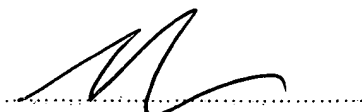
Review of Effectiveness

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

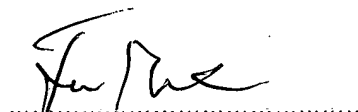
- the work of the internal reviewer
- the work of the external auditor;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 8 DECEMBER 2020 and signed on its behalf by:



David Brown
Chair of Trustees



Jonathan Mortimer
Accounting Officer

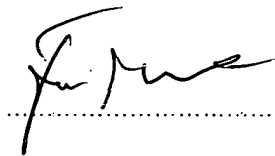
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Statement of regularity, propriety and compliance for the year ended 31 August 2020

As accounting officer of Hamstead Hall Academy Trust I have considered my responsibility to notify the multi 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 multi academy trust, under the funding agreement in place between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



Jonathan Mortimer – Accounting Officer

8 DECEMBER 2020

Hamstead Hall Academy Trust
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Statement of Trustees' Responsibilities for the year ended 31 August 2020

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 8 DECEMBER 2020 and signed on its behalf by:



..... David Brown – Chair of Trustees

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of
Hamstead Hall Academy Trust

Opinion

We have audited the financial statements of Hamstead Hall Academy Trust (the 'Academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2020, and of its incoming resources and application of resources, including its income and expenditure, for the period 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, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Multi Academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Multi Academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Hamstead Hall Academy Trust
(continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Multi Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Hamstead Hall Academy Trust
(continued)

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 16), the trustees (who are also the directors of the Multi Academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Multi Academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Multi Academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Multi Academy trust to cease to continue as a going concern.

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Hamstead Hall Academy Trust
(continued)

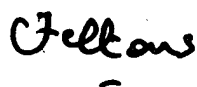
Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

21 December 2020

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Hamstead Hall Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 20 March 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hamstead Hall Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Hamstead Hall Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hamstead Hall Academy Trust's funding agreement with the Secretary of State for Education dated 31 May 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes :

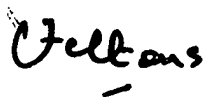
- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the multi academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Hamstead Hall Academy Trust and the Education and Skills Funding Agency (continued)

Conclusion

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



David W Farnsworth FCA (Reporting Accountant)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

21 December 2020

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2020
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2019/20 £	Total 2018/19 £
Income from :							
Donations and capital grants	2	2,328	-	-	32,760	35,088	193,909
Charitable activities :	3						
Funding for the academy trust's educational operations		223,436	-	10,254,743	-	10,478,179	10,698,852
Other trading activities	4	150	-	-	-	150	150
Investments	5	895	-	-	-	895	1,072
Total		226,809	-	10,254,743	32,760	10,514,312	10,893,983
Expenditure on :							
Charitable activities:							
Academy trust educational operations	6, 7	207,388	308,000	9,989,482	570,168	11,075,038	11,147,631
Total		207,388	308,000	9,989,482	570,168	11,075,038	11,147,631
Net income/(expenditure) before transfers		19,421	(308,000)	265,261	(537,408)	(560,726)	(253,648)
Transfers between funds	15	-	-	(39,502)	39,502	-	-
Net income/(expenditure) after transfers		19,421	(308,000)	225,759	(497,906)	(560,726)	(253,648)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	15, 24	-	(2,123,000)	-	-	(2,123,000)	(1,257,000)
Net movement in funds		19,421	(2,431,000)	225,759	(497,906)	(2,683,726)	(1,510,648)
Reconciliation of funds							
Total funds brought forward	16	460,124	(8,538,000)	276,164	26,309,917	18,508,205	20,018,853
Total funds carried forward		479,545	(10,969,000)	501,923	25,812,011	15,824,479	18,508,205

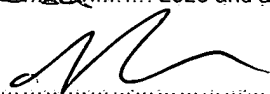
All of the Academy's activities derive from continuing operations during the above two financial periods.

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Company number : 08528845
Balance sheet as at 31 August 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	12		25,819,624		26,220,129
Current assets					
Debtors	13	487,441		434,699	
Cash at bank and in hand		<u>1,962,245</u>		<u>1,981,700</u>	
		2,449,686		2,416,399	
Liabilities					
Creditors: amounts falling due within one year	14(a)	<u>1,422,777</u>		<u>1,590,323</u>	
Net current assets			1,026,909		826,076
Total assets less current liabilities			<u>26,846,533</u>		<u>27,046,205</u>
Creditors: amounts falling due after more than one year	14(b)		(53,054)		-
Net assets excluding pension liability			<u>26,793,479</u>		<u>27,046,205</u>
Defined benefit pension scheme liability	24		(10,969,000)		(8,538,000)
Total net assets			<u><u>15,824,479</u></u>		<u><u>18,508,205</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	15	25,812,011		26,309,917	
Restricted income fund	15	501,923		276,164	
Pension reserve	15	<u>(10,969,000)</u>		<u>(8,538,000)</u>	
Total restricted funds			15,344,934		18,048,081
Unrestricted income funds	15		479,545		460,124
Total funds			<u><u>15,824,479</u></u>		<u><u>18,508,205</u></u>

The financial statements on pages 23 to 46 were approved by the trustees, and authorised for issue on 8. DECEMBER 2020 and are signed on their behalf by:



David Brown - Chair of Trustees

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2020

	Notes	2019/20 £	2018/19 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	48,341	747,852
Cash flows from investing activities	20	(136,008)	(149,921)
Cash flows from financing activities	21	68,212	(365,472)
		<u>(19,455)</u>	<u>232,459</u>
Cash and cash equivalents at 1 September 2019		1,981,700	1,749,241
Cash and cash equivalents at 31 August 2020	22	<u>1,962,245</u>	<u>1,981,700</u>

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020

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.

Basis of preparation

The financial statements of the multi academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hamstead Hall Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

All incoming resources are recognised when the multi 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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised in full when there is 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.

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

1. Accounting policies (continued)

Income (continued)

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

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

Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the multi 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 multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

1. Accounting policies (continued)

Tangible fixed assets (continued)

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

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

Freehold property	- straight line over 50 years
Long leasehold buildings	- straight line over 50 years
Furniture and equipment	- 10% straight line
Computer hardware	- 33% straight line
Motor vehicles	- 25% reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Liabilities

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

Financial instruments

The academy trust only holds basic financial instruments as defined by 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.

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

1. Accounting policies (continued)

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The multi 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 multi academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded, multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

1. Accounting policies (continued)

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the multi 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 or Department for Education.

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency arrangements

The multi academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

Hamstead Hall Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2020 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	-	32,760	32,760	188,802
Other donations	2,328	-	-	2,328	5,107
	<u>2,328</u>	<u>-</u>	<u>32,760</u>	<u>35,088</u>	<u>193,909</u>
2019 total	<u>5,107</u>	<u>-</u>	<u>188,802</u>	<u>193,909</u>	

3. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	8,751,561	-	8,751,561	8,877,622
Other DfE Group grants	-	1,164,659	-	1,164,659	873,275
	<u>-</u>	<u>9,916,220</u>	<u>-</u>	<u>9,916,220</u>	<u>9,750,897</u>
Other government grants					
Local authority grants	-	296,525	-	296,525	411,355
Other government funding	-	36,397	-	36,397	35,096
Exceptional government funding					
Coronavirus exceptional support	-	5,601	-	5,601	-
	<u>-</u>	<u>338,523</u>	<u>-</u>	<u>338,523</u>	<u>446,451</u>
Other income from the academy trust's educational operations	223,436	-	-	223,436	501,504
	<u>223,436</u>	<u>338,523</u>	<u>-</u>	<u>561,959</u>	<u>947,955</u>
	<u>223,436</u>	<u>10,254,743</u>	<u>-</u>	<u>10,478,179</u>	<u>10,698,852</u>
2019 total	<u>501,504</u>	<u>10,197,348</u>	<u>-</u>	<u>10,698,852</u>	

The academy trust has been eligible to claim additional funding in the period from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £5,601 of premises maintenance and cleaning costs. These costs are included in notes 6 and 7 below as appropriate.

Hamstead Hall Academy Trust
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Notes to the financial statements for the year ended 31 August 2020 (continued)

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	150	-	150	150
	<u>150</u>	<u>-</u>	<u>150</u>	<u>150</u>
2019 total	<u>150</u>	<u>-</u>	<u>150</u>	

5. Investment income

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	895	-	895	1,072
	<u>895</u>	<u>-</u>	<u>895</u>	<u>1,072</u>
2019 total	<u>895</u>	<u>-</u>	<u>895</u>	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2019/20 Total £	2018/19 Total £
Academy's educational operations					
Direct costs	7,000,632	352,849	760,423	8,113,904	8,038,221
Allocated support costs	1,776,278	642,815	542,041	2,961,134	3,109,410
	<u>8,776,910</u>	<u>995,664</u>	<u>1,302,464</u>	<u>11,075,038</u>	<u>11,147,631</u>
2019 total	<u>8,776,910</u>	<u>995,664</u>	<u>1,302,464</u>	<u>11,075,038</u>	

Net income/(expenditure) for the period includes :

		2019/20 £	2018/19 £
Operating leases	- plant and machinery	1,284	3,755
Depreciation		570,168	554,586
Loan interest payable		-	23,571
Fees payable to auditor	- audit	<u>10,600</u>	<u>10,250</u>

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Notes to the financial statements for the year ended 31 August 2020 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2019/20 Total £	2018/19 Total £
Educational operations					
Direct costs	207,388	-	7,906,516	8,113,904	8,038,221
Support costs	-	308,000	2,653,134	2,961,134	3,109,410
	<u>207,388</u>	<u>308,000</u>	<u>10,559,650</u>	<u>11,075,038</u>	<u>11,147,631</u>
2019 total	<u>319,467</u>	<u>420,000</u>	<u>10,408,164</u>	<u>11,147,631</u>	
Analysis of support costs					
Support staff costs	-	308,000	1,468,278	1,776,278	1,814,415
Depreciation	-	-	217,319	217,319	217,459
Technology costs	-	-	101,524	101,524	116,236
Premises costs	-	-	436,831	436,831	436,754
Other support costs	-	-	417,432	417,432	495,280
Governance costs	-	-	11,750	11,750	29,266
Total support costs	<u>-</u>	<u>308,000</u>	<u>2,653,134</u>	<u>2,961,134</u>	<u>3,109,410</u>
2019 total	<u>24,986</u>	<u>420,000</u>	<u>2,664,424</u>	<u>3,109,410</u>	

8. Staff

a) Staff costs

Staff costs during the year were:

	2019/20 £	2018/19 £
Wages and salaries	5,891,812	6,086,220
Social security costs	587,246	600,364
Pension costs	1,784,412	1,631,657
	<u>8,263,470</u>	<u>8,318,241</u>
Agency staff costs	491,879	325,472
Staff restructuring costs	21,561	10,500
	<u>8,776,910</u>	<u>8,654,213</u>

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Notes to the financial statements for the year ended 31 August 2020 (continued)

8. Staff (continued)

a) Staff costs (continued)

	2019/20 £	2018/19 £
Staff restructuring costs comprise :		
Redundancy payments	1,726	-
Severance payments	19,835	10,500
	<u>21,561</u>	<u>10,500</u>

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £19,835 (2019: £10,500). Individually, the payments were: £12,212 and £7,623.

c) Staff numbers

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

	2019/20 Number	2018/19 Number
Teachers	92	104
Administration and support	114	117
Management	3	4
	<u>209</u>	<u>225</u>

d) Higher paid staff

	2019/20 Number	2018/19 Number
The number of employees whose employee benefits on an annualised basis (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	2	2
£70,001 - £80,000	2	-
£90,001 - £100,000	2	2
	<u>2</u>	<u>2</u>

e) Key management personnel

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £358,888 (2019 : £365,050)

9. Central services

No central services were provided by the trust to its academies during the year and no central charges arose.

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Notes to the financial statements for the year ended 31 August 2020 (continued)

10. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the multi academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

S Farar (Joint Executive Principal and Trustee)	
Remuneration	£95,000 - £100,000 (2019 : £90,000 - £95,000)
Employer's pension contributions paid	£20,000 - £25,000 (2019 : £15,000 - £20,000)
J Mortimer (Joint Executive Principal and Trustee)	
Remuneration	£95,000 - £100,000 (2019 : £90,000 - £95,000)
Employer's pension contributions paid	£20,000 - £25,000 (2019 : £15,000 - £20,000)

There were no travel and subsistence expenses paid to any trustee of Hamstead Hall Academy Trust during the current or previous year.

Other related party transactions involving the trustees are set out in note 25.

11. Trustees' and officers' insurance

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

12. Tangible fixed assets

	Leasehold land and buildings £	Freehold property £	Furniture and equipment £	Computer hardware £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2019	6,953,731	21,755,861	626,096	243,889	9,000	29,588,577
Additions	56,671	68,340	22,098	22,554	-	169,663
At 31 August 2020	7,010,402	21,824,201	648,194	266,443	9,000	29,758,240
Depreciation						
At 1 September 2019	756,900	2,132,666	237,499	234,913	6,470	3,368,448
Charge for the year	139,712	356,742	64,342	8,977	395	570,168
At 31 August 2020	896,612	2,489,408	301,841	243,890	6,865	3,938,616
Net book values						
At 31 August 2020	6,113,790	19,334,793	346,353	22,553	2,135	25,819,624
At 31 August 2019	6,196,831	19,623,195	388,597	8,976	2,530	26,220,129

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Notes to the financial statements for the year ended 31 August 2020 (continued)

12. Tangible fixed assets (continued)

Freehold and leasehold properties were valued at 17-18 July 2014 by C Butler MRICS, FHP Property Consultants, Nottingham, NG1 5BG and the fittings and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2020 is represented by :

	Leasehold land and buildings £	Freehold property £	Furniture and equipment £	Computer hardware £	Motor vehicles £	Total £
Valuation in 2013	5,345,000	18,835,000	138,750	144,727	-	24,463,477
Cost	<u>1,665,402</u>	<u>2,989,201</u>	<u>509,444</u>	<u>121,716</u>	<u>9,000</u>	<u>5,294,763</u>
	<u>7,010,402</u>	<u>21,824,201</u>	<u>648,194</u>	<u>266,443</u>	<u>9,000</u>	<u>29,758,240</u>

13. Debtors

	2020 £	2019 £
Debtors from operations	26,993	1,733
VAT recoverable	256,104	91,581
Prepayments and accrued income	<u>204,344</u>	<u>341,385</u>
	<u>487,441</u>	<u>434,699</u>

14. Creditors

	2020 £	2019 £
(a) Amounts falling due within one year :		
Creditors from operations	386,588	661,122
Other taxation and social security	136,380	199,504
Accruals and deferred income	316,121	425,856
Other creditors	568,530	303,841
Loans	<u>15,158</u>	<u>-</u>
	<u>1,422,777</u>	<u>1,590,323</u>
Deferred income		
Deferred income at 1 September 2019	94,605	162,432
Resources deferred in the year	104,244	94,605
Amounts released from previous years	<u>(94,605)</u>	<u>(162,432)</u>
Deferred income at 31 August 2020	<u>104,244</u>	<u>94,605</u>

At the balance sheet date the multi academy trust was holding funds received in advance for universal infant free school meals and for expenditure expected to be incurred in the year to 31 August 2020.

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Notes to the financial statements for the year ended 31 August 2020 (continued)

14. Creditors (continued)

	2020 £	2019 £
(b) Amounts falling due after more than one year :		
Other creditors	53,054	-

Other creditors due after more than one year represents a loan of £53,054 (2019 : £nil) from the ESFA repayable in six monthly instalments. This loan has no interest to pay. The amount repayable due within one year is shown in note 14(a).

15. Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	276,164	8,751,561	(8,486,300)	(39,502)	501,923
Pupil premium	-	672,613	(672,613)	-	-
Other grants	-	830,569	(830,569)	-	-
	<u>276,164</u>	<u>10,254,743</u>	<u>(9,989,482)</u>	<u>(39,502)</u>	<u>501,923</u>
Restricted fixed asset funds					
Transfer on conversion	22,198,290	-	(418,775)	-	21,779,515
DfE Group capital grants	2,666,683	32,760	(116,785)	-	2,582,658
Capital expenditure from GAG	1,316,085	-	(30,637)	39,502	1,324,950
Local authority funding	128,859	-	(3,971)	-	124,888
	<u>26,309,917</u>	<u>32,760</u>	<u>(570,168)</u>	<u>39,502</u>	<u>25,812,011</u>
Pension reserve	<u>(8,538,000)</u>	-	(308,000)	(2,123,000)	(10,969,000)
Total restricted funds	<u>18,048,081</u>	<u>10,287,503</u>	<u>(10,867,650)</u>	<u>(2,123,000)</u>	<u>15,344,934</u>
Unrestricted funds					
Other income	460,124	226,809	(207,388)	-	479,545
Total unrestricted funds	<u>460,124</u>	<u>226,809</u>	<u>(207,388)</u>	<u>-</u>	<u>479,545</u>
Total funds	<u>18,508,205</u>	<u>10,514,312</u>	<u>(11,075,038)</u>	<u>(2,123,000)</u>	<u>15,824,479</u>

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Notes to the financial statements for the year ended 31 August 2020 (continued)

15. Funds (continued)

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

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

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	394,729	8,877,622	(8,533,852)	(462,335)	276,164
Pupil premium	-	711,243	(711,243)	-	-
Other grants	-	608,483	(608,483)	-	-
	<u>394,729</u>	<u>10,197,348</u>	<u>(9,853,578)</u>	<u>(462,335)</u>	<u>276,164</u>
Restricted fixed asset funds					
Transfer on conversion	22,617,066	-	(418,776)	-	22,198,290
DfE Group capital grants	2,645,005	188,802	(105,387)	(61,737)	2,666,683
Capital expenditure from GAG	818,834	-	(26,821)	524,072	1,316,085
Local authority funding	132,461	-	(3,602)	-	128,859
	<u>26,213,366</u>	<u>188,802</u>	<u>(554,586)</u>	<u>462,335</u>	<u>26,309,917</u>
Pension reserve	<u>(6,861,000)</u>	<u>-</u>	<u>(420,000)</u>	<u>(1,257,000)</u>	<u>(8,538,000)</u>
Total restricted funds	<u>19,747,095</u>	<u>10,386,150</u>	<u>(10,828,164)</u>	<u>(1,257,000)</u>	<u>18,048,081</u>
Unrestricted funds					
Other income	271,758	507,833	(319,467)	-	460,124
Total unrestricted funds	<u>271,758</u>	<u>507,833</u>	<u>(319,467)</u>	<u>-</u>	<u>460,124</u>
Total funds	<u>20,018,853</u>	<u>10,893,983</u>	<u>(11,147,631)</u>	<u>(1,257,000)</u>	<u>18,508,205</u>

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Notes to the financial statements for the year ended 31 August 2020 (continued)

15. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows :

	2019/20 Total £	2018/19 Total £
Hamstead Hall Academy	465,896	278,041
Grestone Academy	509,049	454,397
Trust	6,523	3,850
Total before fixed assets and pension reserve	981,468	736,288
Restricted fixed asset fund	25,812,011	26,309,917
Pension reserve	(10,969,000)	(8,538,000)
Total funds	15,824,479	18,508,205

Total cost analysis by academy

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	2019/20 Total £
Hamstead Hall Academy	5,147,004	1,054,865	159,646	893,584	7,255,099
Grestone Academy	1,853,628	413,413	164,832	509,898	2,941,771
Non allocated LGPS costs	-	308,000	-	-	308,000
Academy trust	7,000,632	1,776,278	324,478	1,403,482	10,504,870
2019 total	6,839,798	1,814,415	360,878	1,577,954	10,593,045

16. Analysis of net assets between funds

Fund balances at 31
August 2020 are
represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	25,819,624	25,819,624
Current assets	479,545	-	1,909,542	60,599	2,449,686
Current liabilities	-	-	(1,407,619)	(15,158)	(1,422,777)
	479,545	-	501,923	25,865,065	26,846,533
Creditors due after one year	-	-	-	(53,054)	(53,054)
Pension scheme liability	-	(10,969,000)	-	-	(10,969,000)
Total net assets	479,545	(10,969,000)	501,923	25,812,011	15,824,479

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Notes to the financial statements for the year ended 31 August 2020 (continued)

16. Analysis of net assets between funds (continued)

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

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	26,220,129	26,220,129
Current assets	460,124	-	1,866,487	89,788	2,416,399
Current liabilities	-	-	(1,590,323)	-	(1,590,323)
	<u>460,124</u>	<u>-</u>	<u>276,164</u>	<u>26,309,917</u>	<u>27,046,205</u>
Creditors due after one year	-	-	-	-	-
Pension scheme liability	-	(8,538,000)	-	-	(8,538,000)
Total net assets	<u>460,124</u>	<u>(8,538,000)</u>	<u>276,164</u>	<u>26,309,917</u>	<u>18,508,205</u>

17. Capital commitments

	2020	2019
	£	£
Contracted for but not provided in the financial statements	-	53,000

18. Commitments under operating leases

There are no future minimum lease payment commitments under non-cancellable operating leases during the current or previous year.

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

	2019/20	2018/19
	Total	Total
	£	£
Net income/(expenditure) for reporting year (as per the SoFA)	(560,726)	(253,648)
Adjusted for :		
Depreciation (note 12)	570,168	554,586
Capital grants from DfE and other capital income	(32,760)	(188,802)
Interest receivable (note 5)	(895)	(1,072)
Defined benefit pension scheme cost less contributions payable (note 24)	156,000	245,000
Defined benefit pension scheme finance cost/(income) (note 24)	152,000	175,000
Increase in debtors	(52,742)	(93,506)
(Decrease) / increase in creditors	(182,704)	310,294
Net cash (used in) / provided by operating activities	<u>48,341</u>	<u>747,852</u>

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Notes to the financial statements for the year ended 31 August 2020 (continued)

20. Cash flows from investing activities

	2019/20 Total £	2018/19 Total £
Interest received	895	1,072
Purchase of tangible fixed assets	(169,663)	(339,795)
Capital grants from DfE Group	32,760	188,802
Net cash (used in) investing activities	<u>(136,008)</u>	<u>(149,921)</u>

21. Cash flows from financing activities

	2019/20 Total £	2018/19 Total £
New loans in year	75,791	-
Repayment of borrowing	(7,579)	(365,472)
Net cash (used in) financing activities	<u>68,212</u>	<u>(365,472)</u>

22. Analysis of cash and cash equivalents

	At 31 August 2020 £	At 31 August 2019 £
Cash at bank and in hand	1,962,245	1,981,700
	<u>1,962,245</u>	<u>1,981,700</u>

23. Member's liability

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

Hamstead Hall Academy Trust
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Notes to the financial statements for the year ended 31 August 2020 (continued)

24. Pension and similar obligations

The multi 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 West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £148,582 (2019 : £117,992) were payable to the schemes at 31 August 2020 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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Notes to the financial statements for the year ended 31 August 2020 (continued)

24. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

The employer's pension costs paid to TPS in the year amounted to £862,438 (2019 : £618,521).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £712,000 (2019 : £702,000), of which employer's contributions totalled £601,000 (2019 : £591,000) and employees' contributions totalled £111,000 (2019 : £111,000). The agreed contribution rates for future years are 20.4% for employers and between 5.5% and 9.9% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 25 years.

Principal actuarial assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.25%	3.70%
Rate of increase for pensions in payment / inflation	2.25%	2.20%
Discount rate for scheme liabilities	1.60%	1.85%
Inflation assumption (CPI)	2.25%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	15,639	15,263	15,969	16,255
Projected service cost	938	909	967	974
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	15,639	16,025	15,318	15,047
Projected service cost	938	967	910	903

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Notes to the financial statements for the year ended 31 August 2020 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2020	At 31 August 2019
Retiring today		
Males	21.9	20.9
Females	24.1	23.2
Retiring in 20 years		
Males	23.8	22.0
Females	26.0	25.1

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

	31 August 2020	31 August 2019
	£	£
Equities	2,623,000	2,138,000
Government bonds	507,000	337,000
Other bonds	181,000	135,000
Property	352,000	290,000
Cash/liquidity	310,000	128,000
Other	697,000	528,000
Total market value of assets	4,670,000	3,556,000

The actual return on scheme assets was £365,000 (2019 : £197,000).

	2019/20	2018/19
	£	£
Amount recognised in the statement of financial activities		
Current service cost	755,000	835,000
Net interest cost	152,000	175,000
Administration expenses	2,000	1,000
Total amount recognised in the SOFA	909,000	1,011,000

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

	2019/20	2018/19
	£	£
At 1 September 2019	12,094,000	9,560,000
Current service cost	755,000	656,000
Interest cost	223,000	255,000
Employee contributions	111,000	111,000
Changes in financial assumptions	858,000	1,988,000
Benefits paid	(170,000)	(41,000)
Changes in demographic assumptions	371,000	(614,000)
Experience loss on defined benefit obligation	1,397,000	-
Past service cost	-	179,000
At 31 August 2020	15,639,000	12,094,000

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Notes to the financial statements for the year ended 31 August 2020 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2019/20	2018/19
	£	£
At 1 September 2019	3,556,000	2,699,000
Interest income	71,000	80,000
Administration expenses	(2,000)	(1,000)
Employer contributions	601,000	591,000
Employee contributions	111,000	111,000
Benefits paid	(170,000)	(41,000)
Other actuarial gains/(losses)	209,000	-
Return on assets less interest	294,000	117,000
At 31 August 2020	4,670,000	3,556,000
Net pension scheme liability	(10,969,000)	(8,538,000)

25. Related party transactions

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

The following related party transaction(s) took place during the year:

Expenditure related party transaction

Titan Partnership Limited

A company in which Mr J Mortimer (joint executive principle and trustee) is a director

Services provided by the relate company during the period
Amount due to related company at the period end

2020	2019
£	£
8,616	7,050
-	7,000

The trust conducted this transaction at arms' length.

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook.

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Notes to the financial statements for the year ended 31 August 2020 (continued)

25. Related party transactions (continued)

Ava Sturridge-Packer CBE Education Solutions Limited

A company in which Mrs A Sturridge-Packer (a trustee appointed on 11/12/18 and resigned on 9/7/19) has a

	2020 £	2019 £
Services provided by the related company during the period	-	7,425
Amount due to related company at period end	<u>-</u>	<u>3,575</u>

The trust conducted this transaction at arms' length.

26. Agency arrangements

The multi academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £23,455 (2019 : £20,507) and disbursed £17,585 (2019 : £16,295) from the fund. An amount of £44,056 (2019 : £38,186) is included in other creditors relating to undistributed funds that is repayable to ESFA.