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**HAMPTON ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Members**

A J Kingsley  
A D Gardiner  
J Grant

**Trustees**

A J Kingsley, Chair  
A D Gardiner  
J Grant  
H E Price, Head Teacher  
S O East  
S J Britten  
W E J Emmingham  
L R Cross  
A K Garcia  
E V Knowles-Pardoe  
H E Moaby (resigned 20 May 2016)  
M J Patchett  
S L Hogg  
S K C Rajani (resigned 20 May 2016)

**Company registered number**

09129775

**Company name**

Hampton Academies Trust

**Principal and registered office**

Hampton College Eagle Way, Hampton Vale, Peterborough, Cambs, PE7 8BF

**Company secretary**

C A Behan

**Senior leadership team**

H E Price, Headteacher  
A Greenwood, Deputy Headteacher  
A Macfarlane, Interim Deputy Headteacher  
P Jones, Headteacher of School Primary Phase

**Independent auditors**

Streets Audit LLP, Enterprise House, 38 Tyndall Court, Commerce Road, Lynchwood, Peterborough, PE2 6LR

**Bankers**

Lloyds Bank Plc, 99 High Street, Huntingdon, PE29 3DU

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**HAMPTON ACADEMIES TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

**Objectives and Activities**

**a. OBJECTS AND AIMS**

The academy trust's principle object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

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**HAMPTON ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

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

**Progress**

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

**Partnership**

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

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

**Pride**

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

**Vision and Values**

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

**1. We Value People:**

Our schools will be welcoming places, at the heart of its community, valuing all people and their talents, beliefs and cultures equally;

Students will feel safe and respected as individuals at school; they will feel happy to come to HAT schools to learn;

All staff will feel valued, informed and involved in decision making;

Parents and carers will feel well informed, and involved in their child's education.

We recognise families as sources of love and care for their members, and as the basis of a society in which people care for others.

**2. We value learning:**

HAT schools will provide for high quality teaching and learning, involving challenging and enjoyable activities; this will enable our students to think, and to produce high quality work;

Our curriculum will cater for a wide range of ability and talent, and will provide students with a broad, general education of the highest quality. We will provide an outstanding choice of extracurricular activities.

**3. We value positive behaviour:**

HAT schools will have a positive ethos, which emphasises respect, responsibility and participation;

Students will be encouraged to grow spiritually, morally, socially and culturally;

We will place a high emphasis on maintaining positive relationships with students based on honesty and fairness;

We will expect all members of the HAT school community to act with courtesy, respect and good manners;

We will emphasise the pleasure in learning, and we will do our best to make sure that fun is part of the experience for all at HAT schools.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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4. We value health:

HAT schools will promote the importance of healthy living, and we will emphasise its impact on learning;  
In all areas of operation, HAT will stress the importance of healthy eating; students will be encouraged to drink water in most classes;

The sites are no-smoking areas at all times;

We believe that the health and safety of students, staff and visitors are of paramount importance, and they will always be our first consideration;

We will work with students, parents/carers and relevant external agencies to promote safe travel to and from school;

In the interest of safety, students will receive clear messages about items that should not be brought onto HAT premises, or on school visits.

5. We value leadership:

HAT schools will be well governed, managed and led, having excellent relationships with other schools and agencies. Resources will be used effectively to support learning;

Students will be offered opportunities to show responsibility, and to develop leadership skills.

6. We value our community:

HAT schools will emphasise the opportunities and responsibilities that life in a large community can bring;

We will make our facilities available to members of our community for learning and for leisure;

HAT schools will enhance community life;

Students will be made aware of the positive roles they can play in our global community;

Students will learn to respect religious and cultural diversity.

7. We value our environment:

We will provide an outstanding learning environment: stimulating, colourful and well cared for;

Students will learn to respect their environment at a local, national and international level.

8. We value the future:

We will develop the next generation of citizens and leaders, willing and able to play active roles in their communities;

We will lead out into the world young people who feel positive about themselves and demonstrate a passion for life, who respect the rights of other people and who are ready to make their mark.

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

**c. PUBLIC BENEFIT**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy's objectives and aims and in planning future activities for the year. Given the activities of the academy and the student population that it services, the trustees consider that the company's aims are demonstrably to the public benefit.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Achievements and performance**

**a. REVIEW OF ACTIVITIES INCLUDING KEY PERFORMANCE INDICATORS**

Hampton College currently has 1405 students on roll. There are 298 children in the Primary Phase (Reception – Year 3), 930 in the Secondary Phase and 177 Post-16 students. Hampton College continues to grow and in the next 2 years will welcome an additional 120 children in the primary phase when the school opens Year 5 and 6 as well as seeing continued growth in the secondary phase with each year group increasing to 210 in September 2019.

Hampton College was last inspected by OFSTED in May 2013 prior to conversion to academy status. The Overall Effectiveness of the College was judged to be 'Good.' All areas of the College's provision (Achievement, Quality of Teaching, Leadership and Management, Behaviour and Safety of Students) were judged to be 'Good.'

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

- Teaching is overwhelmingly good or outstanding.
- Achievement at GCSE has been excellent in recent years, making the college a truly high performing school.
- Teaching and progress in Primary Phase are good.
- All Sixth Form teaching observed during the recent inspection was graded good or outstanding.
- Behaviour is good and 'an impressive feature of the college is the excellent relationships between students and staff.'
- The College has a highly effective governing body.

As a new academy we expect a full inspection in the year 2016/17 and currently self-evaluate Hampton College's overall Ofsted rating as Good (with Outstanding features).

**Achievement and Progress**

Early Years - Pupils' achievement at Expected+ ranged from 83% to 100% in the 17 areas of learning. Achievement and progress were both outstanding in EYFS.

Key Stage 1 - Pupils' achievement and progress were both outstanding in 2016 with reading, writing and mathematics data above local and national results in all areas at Expected+ and most areas at Greater Depth.

Key Stage 4 – Overall Attainment and Progress were above national average in 2016. Disadvantaged students made particularly strong progress from their starting points, with a Progress 8 score of +0.23.

Key Stage 5 – We are achieved our best ever A Level results in 2016 achieving positive value added at A Level and significant positive value added for our range of BTEC courses.

A detailed breakdown of Hampton College's performance is available on the DfE website.

**Financial review**

**a. GOING CONCERN**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy 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 Accounting Policies.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**b. REVIEW OF FINANCIAL PERFORMANCE**

The Hampton Academies Trust's income is derived in the main from the Department for Education (DFE - via the Education Funding Agency (EFA) in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received from the EFA and other courses during the year ending 31 August 2016 and the associated expenditure are shown as restricted funds in the statement for financial activities.

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

Incoming resources from charitable activities during the year ended 31 August 2016 totaled £6.6m and were sufficient to cover outgoing resources and show a small surplus before transfers and other recognised gains and losses.

The financial year ended 31 August 2016 provided for a £830,000 actuarial loss on the Hampton Academies Trust's defined benefit pension scheme. Hampton Academies Trust brought forward an inherited pension liability of £1.135m on their local government defined benefit pension scheme.

The net book value of tangible fixed assets was £15m; movements in tangible assets are shown in note 11 to the financial statements. The assets were exclusively for providing educational and associated support services to pupils and the community.

**c. PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT**

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

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

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**d. RESERVES POLICY**

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

The budget for the financial year under review was discussed and approved by a meeting of the full governing body on 9 July 2015. The budget forecast predicted an in-year surplus in the region of £294k (unrestricted funds). The budgeted surplus is in line with the School Development Plan and is considered necessary in order to provide adequate funds for the future development of the academy trust.

The reserves held by the trust for the year ended 31 August 2016 totalled £423,941 which includes £47,627 restricted funds (excluding pension reserve) plus £376,314 unrestricted funds.

**e. MATERIAL INVESTMENTS POLICY**

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

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

**Structure, governance and management**

**a. CONSTITUTION**

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The trustees of Hampton Academies Trust are also the directors of the charitable company for the purpose of company law.

Details of the trustees who served during the are included in the Reference and administrative details on page 1.

The charitable company was incorporated on 14 July 2014 and took over the activities of Hampton College on 1 September 2014.

**b. 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.

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**HAMPTON ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

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

**d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

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

**e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

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

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

**f. ORGANISATIONAL STRUCTURE**

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the Senior Leadership Team.

The Governing Body has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

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

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

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

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**HAMPTON ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

The academy is not part of any connected organisations. Details of related party relationships are disclosed in note 21 to the accounts.

**h. TRUSTEES' INDEMNITIES**

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

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

In September 2014 the academy was named as the Education Provider for a new Secondary School on the Hampton East Development in Peterborough and submitted a Free School Application to support the project. In March 2015 the academy was successful in the Free School application.

The school which has been giving the working name Hampton Gardens is to be an 11-18 Secondary School serving children from the Hampton, Peterborough and Yaxley, Cambridgeshire. The school is planned to open in September 2017 with a phased intake starting with Year 7 and growing until the school reaches capacity of 1200 with an additional 300 places post-16. The Trust is currently working with the DfE, Peterborough Local Authority and Cambridgeshire Local Authority on building and setting up the new school.

**FUNDS HELD AS CUSTODIAN**

There are no assets and arrangements for safe custody and segregation, where the academy or its trustees are acting as custodian trustees.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the Governing Body as the company directors, on 8 December 2016 and signed on its behalf by:

**A J Kingsley**  
**Chair of Trustees**

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**HAMPTON ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Governing Body has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hampton Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
A J Kingsley, Chair	5	5
A D Gardiner	5	5
J Grant	4	5
H E Price, Head Teacher	5	5
S O East	2	5
S J Britten	4	5
W E J Emmingham	4	5
L R Cross	5	5
A K Garcia	4	5
E V Knowles-Pardoe	5	5
M J Patchett	4	5
S L Hogg	5	5

The Finance, Premises and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to ensure sound management of the academy finances and resources, including proper planning, monitoring and probity; most particularly by:

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Grant	3	3
H E Price, Head Teacher	2	3
S O East	1	3
S J Britten	1	3
W E J Emmingham	3	3
A K Garcia	3	3
P Jones	2	3
A J Kingsley	3	3

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**HAMPTON ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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The Audit Committee is also a sub-committee of the main Governing Body. Its purpose is to scrutinise the academy budget and finance, internal controls systems and risk management arrangements, most particularly by:

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A J Kingsley	3	3
A D Gardiner	1	3
J Grant	2	3
H E Price, Head Teacher	2	3
A K Garcia	3	3
M J Patchett	3	3

### **REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Head Teacher has responsibility for ensuring that the academy 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's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Undertaking local and national benchmarking exercises to ensure expenditure in key areas is consistent or lower than other similar academies whilst still achieving required outcomes.
- Reviewing internal administration processes and procedures and implementing changes to increase efficiency.
- Undertaking a review of site maintenance service charges and contracts to ensure they are fit for purpose and provide best value in terms of cost versus performance.
- Pursuing alternative sources of funding to improve provision and acquire additional services and resources for the academy. Examples of secured this year include:
  - £10,000 lottery grant to target girls to engage with a healthier lifestyle using sport.
  - On-going Enthuse Funding to support CPD for Science staff.
  - As part of a Partnership Support Network with other schools, received funding to support activities, events and equipment for the Physics department.

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**HAMPTON ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hampton Academies Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Governing Body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance, Premises 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 Governing Body has considered the need for a specific internal audit function and has decided to appoint Rawlinsons Chartered Accountants as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

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

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

Approved by order of the members of the Governing Body on 8 December 2016 and signed on their behalf, by:

**A J Kingsley**  
**Chair of Trustees**

**H E Price, Head Teacher**  
**Accounting Officer**

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**HAMPTON ACADEMIES TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Hampton Academies Trust I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 Governing Body and EFA.

**H E Price, Head Teacher**  
**Accounting Officer**

Date: 8 December 2016

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**HAMPTON ACADEMIES TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The trustees (who act as governors of Hampton Academies Trust and 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 Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 Governing Body on 8 December 2016 and signed on its behalf by:

**A J Kingsley**  
**Chair of Trustees**

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**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HAMPTON ACADEMIES TRUST**

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We have audited the financial statements of Hampton Academies Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

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**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HAMPTON ACADEMIES TRUST**

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

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

Robert Anderson (Senior Statutory Auditor)

for and on behalf of

**Streets Audit LLP**

Chartered Accountants and Statutory Auditors

Enterprise House  
38 Tyndall Court  
Commerce Road  
Lynchwood  
Peterborough  
PE2 6LR  
15 December 2016

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**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO HAMPTON  
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 12 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hampton Academies Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HAMPTON ACADEMIES TRUST'S ACCOUNTING OFFICER AND  
THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Hampton Academies Trust's funding agreement with the Secretary of State for Education dated 27 August 2014, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- A review of the academy's systems and controls and confirmation of the operation and effectiveness during the year;
- A review of expenditure to confirm the appropriateness and value for money; and
- A review of connected party arrangements, transactions and balances.

**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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Anderson (Senior Statutory Auditor)

for and on behalf of

**Streets Audit LLP**

Chartered Accountants and Statutory Auditors

Enterprise House  
38 Tyndall Court  
Commerce Road  
Lynchwood  
Peterborough  
PE2 6LR

15 December 2016

**HAMPTON ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Assets Transferred on Conversion	2	-	-	-	-	14,338,316
Other donations and capital grants	2	-	-	21,668	21,668	11,075
Charitable activities	3	304,765	6,202,651	-	6,507,416	6,111,463
Investments	4	1,213	-	-	1,213	1,867
<b>TOTAL INCOME</b>		<u>305,978</u>	<u>6,202,651</u>	<u>21,668</u>	<u>6,530,297</u>	<u>20,462,721</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		292,064	6,502,941	54,700	6,849,705	5,990,876
<b>TOTAL EXPENDITURE</b>	5	<u>292,064</u>	<u>6,502,941</u>	<u>54,700</u>	<u>6,849,705</u>	<u>5,990,876</u>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	14	13,914 <u>(233,783)</u>	(300,290) <u>162,939</u>	(33,032) <u>70,844</u>	(319,408) <u>-</u>	14,471,845 <u>-</u>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES</b>						
Actuarial gains/(losses) on defined benefit pension schemes	18	- <u>-</u>	(830,000) <u>(830,000)</u>	- <u>-</u>	(830,000) <u>(830,000)</u>	21,000 <u>21,000</u>
<b>NET MOVEMENT IN FUNDS</b>		<u>(219,869)</u>	<u>(967,351)</u>	<u>37,812</u>	<u>(1,149,408)</u>	<u>14,492,845</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		596,183	(1,104,022)	15,000,684	14,492,845	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>376,314</u>	<u>(2,071,373)</u>	<u>15,038,496</u>	<u>13,343,437</u>	<u>14,492,845</u>

**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 09129775**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	11		15,038,496		15,000,684
<b>CURRENT ASSETS</b>					
Debtors	12	81,052		182,646	
Cash at bank and in hand		852,085		949,040	
		<u>933,137</u>		<u>1,131,686</u>	
<b>CREDITORS:</b> amounts falling due within one year	13	<u>(509,196)</u>		<u>(433,525)</u>	
<b>NET CURRENT ASSETS</b>			<b>423,941</b>		<b>698,161</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>15,462,437</b>		<b>15,698,845</b>
Defined benefit pension scheme liability	18		<u>(2,119,000)</u>		<u>(1,206,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>13,343,437</b>		<b>14,492,845</b>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	14	47,627		101,978	
Restricted fixed asset funds	14	15,038,496		15,000,684	
Restricted funds excluding pension liability		<u>15,086,123</u>		<u>15,102,662</u>	
Pension reserve		<u>(2,119,000)</u>		<u>(1,206,000)</u>	
Total restricted funds			<b>12,967,123</b>		<b>13,896,662</b>
Unrestricted funds	14		<u>376,314</u>		<u>596,183</u>
<b>TOTAL FUNDS</b>			<b>13,343,437</b>		<b>14,492,845</b>

The financial statements were approved by the trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:

**A J Kingsley, Chair**

The notes on pages 23 to 42 form part of these financial statements.

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**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	16	<u>(48,992)</u>	<u>1,063,688</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,213	1,867
Purchase of tangible fixed assets		(70,844)	(127,590)
Capital grants from EFA and other sources		<u>21,668</u>	<u>11,075</u>
<b>Net cash used in investing activities</b>		<u>(47,963)</u>	<u>(114,648)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(96,955)</b>	<b>949,040</b>
Cash and cash equivalents brought forward		<u>949,040</u>	<u>-</u>
<b>Cash and cash equivalents carried forward</b>	17	<u><u>852,085</u></u>	<u><u>949,040</u></u>

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**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Hampton Academies Trust constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Hampton Academies Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Hampton Academies Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

**1.2 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency 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 and include grants from the Education Funding Agency.

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**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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

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**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised.

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 Incorporating Income and Expenditure Account 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 Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

**1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.8 Taxation**

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

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 Financial instruments**

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.13 Pensions**

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

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**HAMPTON ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.14 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

**HAMPTON ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Assets Transferred on Conversion	-	-	-	-	14,338,316
Capital Grants	-	-	21,668	21,668	11,075
	-	-	21,668	21,668	14,349,391

In 2015, of the total income from donations and capital grants, £594,316 was to unrestricted funds and £13,755,075 was to restricted funds.

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>EFA grants</b>				
General Annual Grant (GAG)	-	5,410,674	5,410,674	5,003,556
Other EFA grants	-	342,612	342,612	442,344
	-	5,753,286	5,753,286	5,445,900
<b>Other government grants</b>				
Other government grants	-	438,420	438,420	371,778
	-	438,420	438,420	371,778
<b>Other funding</b>				
Other income	304,765	10,945	315,710	293,785
	304,765	10,945	315,710	293,785
	304,765	6,202,651	6,507,416	6,111,463

In 2015, of the total income from charitable activities, £261,679 was to unrestricted funds and £5,849,784 was to restricted funds.

**HAMPTON ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**4. INVESTMENT INCOME**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<i>Total funds 2015 £</i>
Investment income	<u>1,213</u>	-	<u>1,213</u>	<u>1,867</u>

In 2015, of the total investment income, £1,867 was to unrestricted funds and £nil was to restricted funds.

**5. EXPENDITURE**

	<b>Staff costs 2016 £</b>	<b>Premises 2016 £</b>	<b>Other costs 2016 £</b>	<b>Total 2016 £</b>	<i>Total 2015 £</i>
Educational Operations:					
Direct costs	3,814,748	-	1,597,938	5,412,686	4,355,789
Support costs	1,501,470	485,395	(549,846)	1,437,019	1,635,087
	<u>5,316,218</u>	<u>485,395</u>	<u>1,048,092</u>	<u>6,849,705</u>	<u>5,990,876</u>

In 2016, of the total expenditure, £292,064 (2015 - £261,679) was to unrestricted funds and £6,557,641 (2015 - £5,729,197) was to restricted funds.

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**6. CHARITABLE ACTIVITIES**

	<b>Total funds 2016 £</b>	<i>Total funds 2015 £</i>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	3,613,430	3,137,335
National insurance	301,042	233,039
Pension cost	606,243	470,217
Educational supplies	233,288	182,081
Examination fees	100,274	84,872
Staff development	67,240	38,591
Technology costs	102,222	113,098
Travel and subsistence	7,973	7,089
Other	380,974	358,406
	<b>5,412,686</b>	<i>4,624,728</i>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	481,095	437,322
National insurance	31,024	21,878
Pension cost	135,170	134,337
Depreciation	33,032	5,906
Pension finance cost	47,000	43,000
Maintenance of premises and equipment	216,369	166,012
Cleaning	39,510	42,506
Rent and rates	70,131	73,052
Energy	113,535	133,293
Insurance	45,850	51,008
Security	3,458	2,688
Catering	207,308	239,913
Other	3,115	2,291
Governance costs	10,422	12,942
	<b>1,437,019</b>	<i>1,366,148</i>
	<b>6,849,705</b>	<i>5,990,876</i>

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**7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the academy	<b>33,032</b>	<i>5,906</i>
Auditors' remuneration - audit	<b>4,000</b>	<i>4,000</i>
Auditors' remuneration - other services	<b>3,150</b>	<i>4,150</i>
	<b>=====</b>	<b>=====</b>

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**8. STAFF COSTS**

Staff costs were as follows:

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>4,094,525</b>	<i>3,574,657</i>
Social security costs	<b>332,066</b>	<i>254,917</i>
Operating costs of defined benefit pension schemes	<b>741,413</b>	<i>604,554</i>
	<b>5,168,004</b>	<i>4,434,128</i>
Supply staff costs	<b>148,214</b>	<i>85,449</i>
	<b>5,316,218</b>	<i>4,519,577</i>

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

	<b>2016</b>	<i>2015</i>
	<b>No.</b>	<b>No.</b>
Support staff	<b>95</b>	<i>96</i>
Teaching staff	<b>80</b>	<i>76</i>
	<b>175</b>	<i>172</i>

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

	<b>2016</b>	<i>2015</i>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>2</b>	<i>2</i>
In the band £70,001 - £80,000	<b>1</b>	<i>0</i>
In the band £90,001 - £100,000	<b>0</b>	<i>1</i>
In the band £100,001 - £200,000	<b>1</b>	<i>0</i>

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

The key management personnel of the academy comprise the governors and the senior leadership team on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £419,000 (2015 - £388,000).

**9. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £664 (2015 - £850).

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**10. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 3 trustees (2015 - 3) in respect of defined benefit pension schemes.

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy. The Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and other staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

		<b>2016</b>	<i>2015</i>
		<b>£</b>	<b>£</b>
H E Price	Remuneration	<b>100,000-105,000</b>	<i>90,000-95,000</i>
	Pension contributions paid	<b>15,000-20,000</b>	<i>10,000-15,000</i>
E V Knowles	Remuneration	<b>45,000-50,000</b>	<i>45,000-50,000</i>
	Pension contributions paid	<b>15,000-20,000</b>	<i>10,000-15,000</i>
S J Britten	Remuneration	<b>15,000-20,000</b>	<i>15,000-20,000</i>
	Pension contributions paid	<b>0-5,000</b>	<i>0-5,000</i>

During the year, no trustees received any benefits in kind (2015 - £NIL).

During the year, no trustees received any reimbursement of expenses (2015 - £NIL).

**11. TANGIBLE FIXED ASSETS**

	<b>Long-term leasehold property £</b>	<b>Leasehold improve- ments £</b>	<b>Office equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 September 2015	<b>14,879,000</b>	<b>26,574</b>	<b>45,848</b>	<b>55,168</b>	<b>15,006,590</b>
Additions	-	<b>14,034</b>	<b>5,117</b>	<b>51,693</b>	<b>70,844</b>
At 31 August 2016	<b>14,879,000</b>	<b>40,608</b>	<b>50,965</b>	<b>106,861</b>	<b>15,077,434</b>
<b>Depreciation</b>					
At 1 September 2015	-	<b>216</b>	<b>2,540</b>	<b>3,150</b>	<b>5,906</b>
Charge for the year	-	<b>3,269</b>	<b>9,592</b>	<b>20,171</b>	<b>33,032</b>
At 31 August 2016	-	<b>3,485</b>	<b>12,132</b>	<b>23,321</b>	<b>38,938</b>
<b>Net book value</b>					
At 31 August 2016	<b>14,879,000</b>	<b>37,123</b>	<b>38,833</b>	<b>83,540</b>	<b>15,038,496</b>
<i>At 31 August 2015</i>	<i>14,879,000</i>	<i>26,358</i>	<i>43,308</i>	<i>52,018</i>	<i>15,000,684</i>

Long-term leasehold property is stated at the valuation provided to the academy by the EFA on conversion. The valuation includes land of £2,013,000 which is not depreciated.

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**12. DEBTORS**

	2016 £	2015 £
Trade debtors	941	1,597
VAT recoverable	16,658	100,015
Prepayments and accrued income	63,453	81,034
	<b>81,052</b>	<b>182,646</b>

**13. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	107,526	123,528
Other taxation and social security	97,878	75,143
Other creditors	89,672	76,567
Accruals and deferred income	214,120	158,287
	<b>509,196</b>	<b>433,525</b>

	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September	142,377	-
Resources deferred during the period	155,758	142,377
Amounts released from previous years	(103,354)	-
	<b>194,781</b>	<b>142,377</b>

At the balance sheet date, the academy had received income in advance in relation to the Autumn term and also in advance of costs not yet incurred. The balance also includes the amounts held on behalf of students for the 16-18 Bursary Fund.

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**14. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds	596,183	305,978	(292,064)	(233,783)	-	376,314
<b>Restricted funds</b>						
General Annual Grant (GAG)	24,301	5,410,674	(5,597,914)	162,939	-	-
Other EFA Grants	-	279,612	(279,612)	-	-	-
Other Government Grants	-	438,420	(438,420)	-	-	-
Other Restricted Funds	11,691	10,945	(20,494)	-	-	2,142
Hampton Gardens Pension Reserve	65,986	63,000	(83,501)	-	-	45,485
	(1,206,000)	-	(83,000)	-	(830,000)	(2,119,000)
	<u>(1,104,022)</u>	<u>6,202,651</u>	<u>(6,502,941)</u>	<u>162,939</u>	<u>(830,000)</u>	<u>(2,071,373)</u>
<b>Restricted fixed asset funds</b>						
Assets Transferred on Conversion	14,879,000	-	-	-	-	14,879,000
Assets Acquired with Funding	121,684	-	(33,032)	70,844	-	159,496
EFA Capital Grants	-	21,668	(21,668)	-	-	-
	<u>15,000,684</u>	<u>21,668</u>	<u>(54,700)</u>	<u>70,844</u>	<u>-</u>	<u>15,038,496</u>
Total restricted funds	<u>13,896,662</u>	<u>6,224,319</u>	<u>(6,557,641)</u>	<u>233,783</u>	<u>(830,000)</u>	<u>12,967,123</u>
Total of funds	<u><u>14,492,845</u></u>	<u><u>6,530,297</u></u>	<u><u>(6,849,705)</u></u>	<u><u>-</u></u>	<u><u>(830,000)</u></u>	<u><u>13,343,437</u></u>

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

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

**Unrestricted funds:**

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

**Restricted funds:**

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

Other EFA / Government Grants - represent EFA and Local Authority grants received for specific purposes.

Other Restricted Funds - represents other income received which must be used for the specific purposes intended.

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

**Restricted fixed asset funds:**

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

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

Assets Acquired with Funding - represents the net book value of fixed assets acquired with EFA and other funding streams since conversion.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	15,038,496	15,038,496	15,000,684
Current assets	376,314	556,823	-	933,137	1,131,686
Creditors due within one year	-	(509,196)	-	(509,196)	(433,525)
Provisions for liabilities and charges	-	(2,119,000)	-	(2,119,000)	(1,206,000)
	<u>376,314</u>	<u>(2,071,373)</u>	<u>15,038,496</u>	<u>13,343,437</u>	<u>14,492,845</u>

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(319,408)	14,471,845
<b>Adjustment for:</b>		
Depreciation charges	33,032	5,906
Dividends, interest and rents from investments	(1,213)	(1,867)
Decrease/(increase) in debtors	101,594	(182,646)
Increase in creditors	75,671	433,525
Capital grants from DfE and other capital income	(21,668)	(11,075)
Defined benefit pension scheme obligation inherited	-	1,135,000
Defined benefit pension scheme cost less contributions payable	36,000	49,000
Defined benefit pension scheme finance cost	47,000	43,000
Other non-cash assets transferred from local authority on conversion	-	(14,879,000)
<b>Net cash (used in)/provided by operating activities</b>	<u>(48,992)</u>	<u>1,063,688</u>

**17. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	852,085	949,040
Total	<u>852,085</u>	<u>949,040</u>

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**18. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £87,689 were payable to the schemes at 31 August 2016 (2015 - £75,122) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £465,000 (2015 - £353,000).

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**18. PENSION COMMITMENTS (continued)**

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £306,000 (2015 - £254,000), of which employer's contributions totalled £240,000 (2015 - £197,000) and employees' contributions totalled £66,000 (2015 - £57,000). The agreed contribution rates for future years are 22% for employers and a maximum of 12.5% for employees.

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

Principal actuarial assumptions:

	<b>2016</b>	<i>2015</i>
Discount rate for scheme liabilities	<b>2.10 %</b>	<i>3.80 %</i>
Rate of increase in salaries	<b>4.10 %</b>	<i>4.60 %</i>
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	<i>2.70 %</i>

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

	<b>2016</b>	<i>2015</i>
Retiring today		
Males	<b>22.5</b>	<i>22.5</i>
Females	<b>24.5</b>	<i>24.5</i>
Retiring in 20 years		
Males	<b>24.4</b>	<i>24.4</i>
Females	<b>26.9</b>	<i>26.9</i>

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**18. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2016 £</b>	<i>Fair value at 31 August 2015 £</i>
Equities	<b>637,000</b>	319,000
Bonds	<b>127,000</b>	64,000
Property	<b>59,000</b>	34,000
Cash	<b>26,000</b>	13,000
Total market value of assets	<b>849,000</b>	430,000

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	<b>2016 £</b>	<i>2015 £</i>
Current service cost (net of employee contributions)	<b>(276,000)</b>	(246,000)
Net interest cost	<b>(47,000)</b>	(43,000)
Total	<b>(323,000)</b>	(289,000)
Actual return on scheme assets	<b>113,000</b>	4,000

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

	<b>2016 £</b>	<i>2015 £</i>
Opening defined benefit obligation	<b>1,636,000</b>	-
Upon conversion	-	1,307,000
Current service cost	<b>276,000</b>	246,000
Interest cost	<b>69,000</b>	54,000
Contributions by employees	<b>66,000</b>	57,000
Changes in financial assumptions	<b>921,000</b>	(28,000)
Present value of liabilities on conversion	-	-
Closing defined benefit obligation	<b>2,968,000</b>	1,636,000

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**18. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	430,000	-
Upon conversion	-	172,000
Interest income	22,000	11,000
Return on plan assets (excluding net interest)	91,000	(7,000)
Contributions by employer	240,000	197,000
Contributions by employees	66,000	57,000
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>849,000</u>	<u>430,000</u>

**19. CONTINGENT LIABILITIES**

In the event of Hampton Academies Trust ceasing to operate as an academy, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the academy.

**20. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

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

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

**21. AGENCY ARRANGEMENTS**

During the year, the academy acted as agent in respect of 16-18 Bursary funding received from the EFA. The academy received 16-18 Bursary funding of £22,797 and expended £11,026 and also had £39,023 balance brought forward. The balance of £50,793 is included within deferred income.

**22. MEMBERS' LIABILITY**

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

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**23. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the academy has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.