

Company Registration Number: 10749662 (England & Wales)

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Statement of Trustees' responsibilities	15
Independent auditors' report on the financial statements	16 - 18
Independent reporting accountant's assurance report on regularity	19 - 20
Statement of financial activities incorporating income and expenditure account	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24 - 47

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2017**

Members

D Ellis (appointed 2 May 2017)
C Nugent (appointed 2 May 2017)
P Bray (appointed 2 May 2017)

Trustees

J Drummond (appointed 2 May 2017)
D Ellis (appointed 2 May 2017)
C Nugent (appointed 2 May 2017)
S Rafter (appointed 2 May 2017)

Company registered number

10749662

Company name

Hamwic Education Trust

Principal and registered office

Unit E, The Mill Yard
Nursling Street
Southampton
Hampshire
SO16 0AJ

Company secretary

G Carr

Chief executive officer

R Farmer

Senior management team

R Farmer, Chief Executive Officer
N Ash, Deputy Chief Executive Officer – Standards
G Carr, Deputy Chief Executive Officer – Business
R Hampton, Chief Learning Officer

Independent auditors

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2017

Advisers (continued)

Bankers

Lloyds Bank Plc
77 Shirley High Street
Shirley
Southampton
Hampshire
SO15 3TX

Solicitors

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of Hamwic Education Trust for the period 2 May 2017 to 31 August 2017. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The trust operates five academies in Southampton & Poole. The academies within Hamwic Education Trust are Branksome Heath Junior School, Sylvan Infant School, Ludlow Infant Academy, Weston Park Primary School and Talbot Primary School.

Hamwic Education Trust has a total pupil capacity of 2,670 and pupil numbers of 1,990 as at January 2017.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the trust. The trustees of Hamwic Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Hamwic Education Trust.

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

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006 every trustee or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by the existing board of members. They are selected from a variety of sources such as the local community, businesses within the community, local educational establishments or the New Schools Network. All prospective trustees are interviewed by a panel of trustees prior to appointment. The term of office for any trustee is 4 years and thereafter they may be re-appointed. The make-up of the board of trustees includes experienced professionals and representatives of individual academies. New trustees are expected to be able to bring a track record of governance with them.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will include training on educational, legal and financial matters. All new trustees will be provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as trustees. Induction will be carried out informally and will be tailored specifically to the individual.

Organisational Structure

Hamwic Education Trust's organisational structure consists of four levels: the board of trustees, regional partnership boards, the academies local governing bodies and the academies leadership teams. This organisational structure is intended to devolve responsibility and encourage involvement in decision making at all levels.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

The board of trustees are responsible for setting general policy, adopting an annual plan & budget, monitoring the trust's financial & operational performance and making strategic decisions about the direction of the trust, approving major items of expenditure and making senior staff appointments. The board of trustees have approved a scheme of financial delegation which clearly sets out the level of financial authority delegated to the local governing bodies, school leaders and members of the academies leadership teams.

The regional partnership boards are made up of the chair of each local governing body within the regional partnership, the school leader from each academy within the regional partnership and co-opted partners. They are responsible for the standards at the academies within the regional partnership. They are accountable to the board of trustees and this relationship is governed by an approved scheme of delegation.

The board of trustees operates a finance & audit committee, which is made up of representatives from each regional partnership, which reports to the board of trustees. The finance & audit committee has an approved terms of reference set out in the board of trustee's standing orders.

The academy local governing bodies are made up from a variety of sources including (but not limited to) parents, staff, members of the local community and businesses in the local community. They are responsible for the academy's standards, finance, premises and health & safety.

Individual academy leadership teams consist of the senior management at each academy. They are responsible for developing & implementing plans which seek to deliver the best possible education for its students within agreed budgets and the scheme of delegation approved by the board of trustees.

Arrangement for Setting Pay and Remuneration of Key Management Personnel

Pay arrangements for key management personnel are led by the remuneration committee. Targets are set for each individual leader with increments being awarded for success in meeting these targets.

Pay arrangements for school leaders are led by local governing bodies with support from Hamwic Education Trust. Local governing bodies utilise the STCPD to set the parameters for key management personnel pay. Targets are set for each individual leader with increments being awarded for success in meeting these targets.

Related Parties and other Connected Charities and Organisations

Hamwic Education Trust is related to four multi-academy trusts; Jefferys Education Trust, Edwin Jones Trust, The Ridings Trust and The Hillary Trust. These multi-academy trusts were all controlled by Hamwic Trust for the period ending 31 August 2017 (please refer to the Governance Review for more information).

For the period 1 June 2017 to 31 August 2017, Hamwic Education Trust provided the central services to the Jefferys Education Trust, Edwin Jones Trust, The Ridings Trust and The Hillary Trust which covers standards, finance, HR, IT and health & safety.

The academies within these trusts pay a proportion of their budget share for these services, which are delivered at cost. During the period ended 31 August 2017 the amounts of these payments were as follows:

- Jefferys Education Trust - £144,752
- Edwin Jones Trust - £68,936
- The Ridings Trust - £27,638
- The Hillary Trust - £65,322

Objectives and Activities

Objects and Aims

Hamwic Education Trust's principal activity is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing local academies, by offering a broad curriculum.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

In accordance with the Articles of Association the trust has entered into Funding Agreements approved by the Secretary of State for Education. The Funding Agreements specify, amongst other things, the basis for admitting students to the academies, the catchment area from which students are drawn, and that the curriculum should comply with the substance of the National Curriculum.

Objectives, Strategies and Activities

Hamwic Education Trust aims to develop outstanding academies who are at the heart of the communities that they serve.

The vision for Hamwic Education Trust is to establish a self-improving learning community where school leaders take a collective responsibility and are accountable for children's wellbeing and for standards of the education provision within the trust.

Hamwic Education Trust is passionate about the central role of education in improving individual life chances for children and young people. We believe in a local education, with the freedom to collectively support the needs of the local community.

Hamwic Education Trust is committed to:

Improving outcomes and pathways to employment opportunities for students

- Creating a self-improving school system, based on shared values of respect, perseverance, cooperation and trust
- Holding the academies within the trust to account for standards
- Ensuring a collective responsibility and accountability by academies for student outcomes
- Developing high quality systems and structures allowing school leaders to focus on teaching and learning
- Recruiting and developing high quality staff and CPD opportunities
- Meeting the needs of the local community
- Developing community engagement
- Promoting an all through curriculum by linking learning through the different phases of education
- Retaining individual academies local identity

Public Benefit

The trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by the trust is the maintenance and development of the high quality education provided by the trust to the young people of the communities the academies serve.

In doing this the trust not only offers a broadly-based academic education but aims to educate the whole individual. A very wide-range of extra-curricular activities including educational trips and visits are offered and undertaken.

Strategic Report

Achievements and Performance

The trust had no Ofsted inspections during the period ending 31 August 2017.

Achievement detailed below relates to exams that were sat by the academies before they joined Hamwic Education Trust.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Key Stage 2 Achievement:

	Hamwic Education Trust	National
Reading	46%	71%
Writing	61%	76%
GPAS	51%	77%
Maths	43%	75%
Combined	33%	61%

Key Stage 1 Achievement:

	Hamwic Education Trust	National
Reading	66%	76%
Writing	56%	68%
Maths	70%	75%

Early Years Achievement:

Students achieving a 'Good Level of Development' for the year was 62% compared to the national average of 71%.

Key Performance Indicators

Ofsted:

One academy has an Ofsted judgement of Outstanding, two have Ofsted judgements of Good and two have Ofsted judgements of Requires Improvement (both of whom are sponsored academies).

Financial Key Performance Indicators:

Staff Costs / GAG Income – 124%

Staff Costs / Total Income – 67%

Revenue Reserves / GAG Income – 95%

Current Assets less Current Liabilities – £1,261,920

Current Ratio – 2.12

Going Concern

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

Financial Review

Overview

The majority of the trust's income is obtained from the Department for Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the Department for Education during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The trust also receives grants for fixed assets from the Department for Education. In accordance with the Charities Statement of Recommended Practice (FRS 102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

During the period ending 31 August 2017 Hamwic Education Trust received total income of £25,857k. Of this sum £1,192k was received from the Department of Education via the Education Funding Agency in respect of its General Annual Grant, used for its day to day running costs, and other revenue grants. Other grants and income amounted to £529k. Also, income of £26,941k was received in the form of fixed assets inherited from exisiting academies and on conversion.

Costs for the period totalled £1,930k.

After taking into account the actuarial assessed gain on the LGPS of £148k, the Trust carried forward reserves of £24,075k as at 31 August 2017.

Reserves policy

The trust is predominantly funded by grants from the Department for Education, the use of which is regulated by its funding agreement. The majority of these grants are used by the trust in the accounting period for which they are given.

The board of trustees have approved the central level of reserves to be £120k which is restricted to the following uses:

- As a loan to support academies in financial difficulties
- To support any unplanned emergency expenditure
- To support school improvement projects

Reserves held by individual academies are restricted to the following uses:

- **Rolling Capital Programmes (Premises).** The board of trustees are committed to ensuring that premises are maintained to the highest level in the long term.
- **Rolling Capital Programmes (IT).** IT provision for students is a key area of students learning. Academies hold reserves to ensure that IT equipment can be replaced when at the end of its useful life.
- **Expansion.** Where academies are (or are planning on) expanding, reserves are held to ensure that premises can cope with the increased number of students.
- **Other Reserves.** The trust expects academies to hold reasonable level of reserves to protect against any unforeseen expenditure that may be incurred. It is expected that the level of reserves held by academies for this purpose will be no more than 10% of their previous years grant income.

All reserves policies are updated annually.

The level of reserves held compared to the amounts stated in the trust's reserves policy is as follows:

	Reserves Policy	Reserves Held	Notes
Central Reserves	£120k	£106k	
Rolling Capital Programme (Premises)	£150k	£163k	These reserves will be utilised on specific projects at academies over the next 12 months
Rolling Capital Programme (IT)	£50k	£45k	
Expansion	£0k	£0k	
Other Reserves	£505k	£818k	These reserves will be utilised by focussing expenditure on educational priorities at academies over the next 12 – 24 months
Total Reserves	£825k	£1,132k	

The level of free reserves held in the unrestricted fund at the period ended 31 August 2017 was £1,022k. The level of reserves held in the restricted fund (excluding pension reserves) at the year ended 31 August 2017 was £110k. Therefore, the net surplus held in reserves at the year ended 31 August 2017 was £1,132k.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

All reserves held by the trust will be used to further the educational activities of the trust.

Investment Policy

The board of trustees have approved an investment policy which is based on a risk averse principle. Any funds above the approved minimum level are able to be placed with a limited number of institutions with high credit ratings only.

Principal Risks and Uncertainties

The board of trustees have assessed the risks to which the trust are exposed and have implemented actions to mitigate or eliminate them. The risk management process dictates that the trust and all academies produce detailed risk registers which are accompanied by a range of mitigation strategies (including ensuring policies are up to date, and that relevant members of senior staff are assigned to own each risk).

The internal audit function is designed to test that key risks have been identified and that mitigation strategies are in place and robust.

The major risks, which have been identified by the board of trustees and have mitigation strategies in place are:

- Long term financial sustainability (including reductions in funding, student numbers, staffing costs, etc.)
- Financial fraud
- Health & safety
- Disaster recovery
- Safeguarding
- Loss of key staff

The risk registers in place cover a far wider range of areas than those identified above.

Where appropriate there is adequate insurance cover in place to mitigate any residual risk.

Plans for future periods

The trust had five academies as at 31 August 2017. Bishop Aldhelm's Church of England Primary School joined the trust on 1 September 2017 and Thornhill Primary School joined the trust on 1 November 2017.

On 1 September 2017, the academies within Edwin Jones Trust and The Ridings Trust joined Hamwic Education Trust. These academies are Harefield Primary School, Beechwood Junior School, Townhill Infant School, Glenfield Infant School, Westover Primary School and Gatcombe Park Primary School.

On 1 December 2017, the academies within Jefferys Education Trust joined Hamwic Education Trust. These academies are Upper Shirley High School, Wordsworth Primary School, Shirley Junior School, Shirley Infant School, Hollybrook Junior School, Hollybrook Infant School and Southampton Children's Hospital School.

On 1 March 2018, the academies within The Hillary Trust will join Hamwic Education Trust. These academies are Hamworthy Park Junior School, Twin Sails Infant School, Bearwood Primary School and Springdale First School.

Opportunities for expanding the number of academies within Hamwic Education Trust will be explored.

Future plans for the trust are focussed on raising standards, educational outcomes and Ofsted judgements for all academies.

Funds held as custodian trustee on behalf of others

The trust does not act as custodian trustee on behalf of any others.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

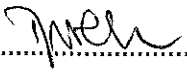
TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Auditor

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all the 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 13 December 2017 and signed on the board's behalf by:


.....
D Ellis
Chair of Trustees

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Hamwic Education 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 chief executive officer, 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 Hamwic Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 2 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Drummond	2	2
D Ellis, Chairperson	2	2
C Nugent	1	2
S Rafter	1	2

Changes to the composition of the board of trustees occurred during the year as per the trust's governance review.

Finance & Audit Committee

The finance & audit committee is a sub-committee of the board of trustees. It is composed of representation from the board of trustees and regional partnership boards. Its responsibilities cover:

- Internal controls and risk management
- Compliance, whistleblowing and fraud
- Internal audit
- External audit and statutory financial reporting
- Financial strategy
- Budgeting
- Financial monitoring and review

Attendance at meetings in the period was as follows:

Member	Meetings attended	Out of a possible
D Ellis, Chairperson	1	1
J Jones	0	1
I Miller	1	1
R Taylor	1	1
B Meldrum	0	1

Governance Review

As the Education & Skills Funding Agency (ESFA) and the Department for Education (DfE) no longer allow umbrella trusts where the umbrella trust exercises control over multi-academy trusts, Hamwic Trust was asked by the DfE to restructure to a single multi-academy trust. This restructure was undertaken across the whole of Hamwic Trust and all of the multi-academy trusts that it has control over. This restructure was carried out in consultation with the trust's legal advisors and will be implemented during the year ended 31 August 2018.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The restructure ensures compliance with ESFA and DfE requirements.

The outcomes of the governance review are as follows:

- A new multi-academy trust, Hamwic Education Trust, has been incorporated to which all the academies in the multi-academy trusts operating under Hamwic Trust will transfer;
 - o On 1 September 2017, the academies within Edwin Jones Trust and The Ridings Trust joined Hamwic Education Trust
 - o On 1 December 2017, the academies within Jefferys Education Trust joined Hamwic Education Trust
 - o On 1 March 2018, the academies within The Hillary Trust will join Hamwic Education Trust
- The articles of Hamwic Education Trust include diocese requirements that will allow it to include church schools
- No less than 50% of the members of Hamwic Education Trust are required to be appointed by the Diocese
- No less than 50% of the trustees of Hamwic Education Trust are required to be appointed by the Diocese
- Hamwic Education Trust will only have independent trustees
- Partnership boards have been implemented to retain the local identity of each community Hamwic Education Trust operates in
- The creation of three committees within Hamwic Education Trust:
 - o Governance & Ethos Committee – members are the chair of Hamwic Education Trust & each partnership board. This committee reviews governance, the performance of the managed services team and feeds into performance management of the Chief Executive Officer.
 - o Finance & Audit Committee – members are a trustee of Hamwic Education Trust & representation from each partnership board. This committee is responsible for reviewing internal controls, approving budgets, approving financial statements and to review the risk register.
 - o Remuneration Committee – responsible for setting pay levels for the executive team and to carry out performance management of the Chief Executive Officer.
- Local governing bodies are able to determine their own structure and to decide what other committees they may have

The impact of the above ensure that Hamwic Education Trust complies with the requirements set out by the ESFA and DfE. There are clear lines of accountability, less conflicts of interests and more structured processes as defined in the scheme of delegation.

The trust will conduct its next self-evaluation during the next twelve months and on an annual basis thereafter.

REVIEW OF VALUE FOR MONEY

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

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

- **Focus on Individual Pupils.** Pupil Premium funds have been utilised to support those pupils with differing needs or requiring extra one to one support by employing extra resources to cater for those pupils.
- **CPD Teaching School.** The Hamwic Teaching School Alliance has developed its offering during the year. Various training courses and CPD opportunities have been offered to the schools within the alliance leading to an improvement in educational outcomes.
- **Managed Services Team.** The trust is able to support academies by providing support in finance, HR, IT and premises, enabling academies to focus on teaching and learning.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- **Collaboration.** The trust works with other schools within Southampton, Portsmouth & Poole and also deploys a number of staff to other schools to share and demonstrate good practice. The trust also works collaboratively in sharing educational resources and experience.
- **Quantifying Improvements.** The trust has maintained a healthy financial position and has been able to support schools in achieving better outcomes through projects, better procurement and achieving economies of scale.
- **Financial Governance & Oversight.** Financial governance is informed and reviewed by external auditors, regular management reporting to the CEO, the board of trustees, the internal audit function and the finance & audit committee. Consolidated management accounts are prepared monthly and are reviewed by the CEO, the board of trustees & the finance & audit committee. Any decisions that affect spending proposals and discussed at board of trustee level. Budgeting is treated as an ongoing activity which is regularly updated to reflect the changing environment. Long term budgets are also prepared regularly to assist in achieving value for money.
- **Better Procurement.** During the year the trust has managed to achieve value for money in procurement. Services and contracts have been reviewed and in some cases terminated where there is a duplication or the service is no longer required.
- **Effective Benchmarking.** The trust has utilised robust and detailed internal benchmarking reports to improve value for money during the year.
- **Income Generation.** Income generation is ongoing. The trust has links with local partners and businesses that regularly support in a variety of ways, whether sponsoring events or non-financial support.
- **Reviewing Controls & Managing Risks.** The internal audit function within the trust has been updated to review all areas of control and risk. Monthly financial reports are monitored by school leaders, local governing bodies, the CEO and the board of trustees who provide the appropriate challenge.

Over the next year the trust will continue to focus on identifying areas where potential cost savings can be achieved and better value obtained.

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hamwic Education Trust for the period 2 May 2017 to 31 August 2017 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks, that has been in place for the period 2 May 2017 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (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 & audit 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;
- a schedule of internal audit on academies undertaken by the managed service team.

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. In particular the checks carried out in the current period included:

- testing compliance with the Academies Financial Handbook
- reviewing the due diligence that the trust undertakes when taking on new schools
- testing IT security processes & procedures
- reviewing how strategic decisions are made by the trust

On a regular basis, the internal auditor reports to the board of trustees through the finance & audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.


REVIEW OF EFFECTIVENESS

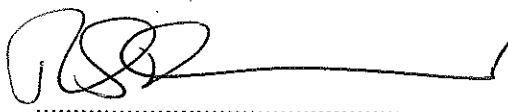
As accounting officer, the chief executive officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the 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 & 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 board of trustees on 13 December 2017 and signed on their behalf, by:


.....
D Ellis
Chair of Trustees


.....
R Farmer
Accounting Officer

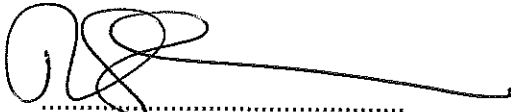
HAMWIC EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hamwic Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



.....
R Farmer
Accounting Officer

Date: 13 December 2017

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2017

The trustees (who act as governors of Hamwic Education 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of its surplus or deficit for that period. In preparing these financial statements, the trustees are required to:

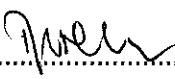
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the trust 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 trust 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 trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the trust's website. Legislation in England & Wales 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 13 December 2017 and signed on its behalf by:


.....
D Ellis
Chair of Trustees

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HAMWIC EDUCATION TRUST**

OPINION

We have audited the financial statements of Hamwic Education Trust for the period ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the 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 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 trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 August 2017 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; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HAMWIC EDUCATION TRUST**

report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

The responsibilities of the trustees (who also act as company directors of Hamwic Education 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 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 trust's or to cease operations, or have no realistic alternative but to do so.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HAMWIC EDUCATION TRUST**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Richard Hurst FCA (Senior statutory auditor)
for and on behalf of
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR
Date: 14 December 2017

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HAMWIC
EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 16 June 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hamwic Education Trust during the period 2 May 2017 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HAMWIC EDUCATION TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Hamwic Education Trust's funding agreement with the Secretary of State for Education dated 24 May 2017, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 2 May 2017 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the 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 trust's income and expenditure.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HAMWIC
EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the trust's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the trust;
- testing a sample of transactions to consider whether the transaction is permissible within the trust's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to charge cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the trust's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 2 May 2017 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Richard Hurst FCA

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: 14 December 2017

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
INCOME FROM:					
Donations & capital grants:					
Transfer from local authority on conversion	2	542,424	(3,693,000)	24,959,032	21,808,456
Transfer from existing academies on conversion	2	245,870	(375,000)	2,008,313	1,879,183
Other donations and capital grants	2	967	-	24,913	25,880
Charitable activities	3	-	1,721,274	-	1,721,274
Other trading activities	4	419,582	3,070	-	422,652
Investments	5	46	-	-	46
TOTAL INCOME		1,208,889	(2,343,656)	26,992,258	25,857,491
EXPENDITURE ON:					
Charitable activities		514	1,873,805	55,924	1,930,243
TOTAL EXPENDITURE	6	514	1,873,805	55,924	1,930,243
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		1,208,375	(4,217,461)	26,936,334	23,927,248
Transfers between Funds	16	(185,890)	135,373	50,517	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		1,022,485	(4,082,088)	26,986,851	23,927,248
Actuarial gains on defined benefit pension schemes	22	-	148,000	-	148,000
NET MOVEMENT IN FUNDS		1,022,485	(3,934,088)	26,986,851	24,075,248
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		1,022,485	(3,934,088)	26,986,851	24,075,248

HAMWIC EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10749662

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £
FIXED ASSETS			
Tangible assets	12		26,857,328
CURRENT ASSETS			
Debtors	13	1,647,047	
Cash at bank and in hand		743,492	
		<u>2,390,539</u>	
CREDITORS: amounts falling due within one year	15	<u>(1,128,619)</u>	
NET CURRENT ASSETS			1,261,920
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>28,119,248</u>
Defined benefit pension scheme liability	22		<u>(4,044,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>24,075,248</u>
FUNDS OF THE TRUST			
Restricted income funds:			
Restricted income funds	16	109,912	
Restricted fixed asset funds	16	26,986,851	
		<u>27,096,763</u>	
Restricted income funds excluding pension liability		<u>27,096,763</u>	
Pension reserve		<u>(4,044,000)</u>	
Total restricted income funds			23,052,763
Unrestricted income funds	16		<u>1,022,485</u>
TOTAL FUNDS			<u>24,075,248</u>

The financial statements on pages 21 to 47 were approved by the trustees, and authorised for issue, on 13 December 2017 and are signed on their behalf, by:

.....
D Ellis

Chair of Trustees

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	2017 £
Cash flows from operating activities		
Net cash provided by operating activities	18	1,015,041
Cash flows from investing activities:		
Dividends, interest and rents from investments		46
Purchase of tangible fixed assets		(296,508)
Capital grants from DfE/ESFA		24,913
Net cash used in investing activities		(271,549)
Change in cash and cash equivalents in the period		743,492
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	19	743,492

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Hamwic Education Trust constitutes a public benefit entity as defined by FRS 102.

1.2 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 trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the trust 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.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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.

Expenditure on charitable activities are costs incurred on the trust's educational operations, including support costs and those costs relating to the governance of the trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Long-term leasehold land	-	Not provided
Long-term leasehold property	-	50 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	5 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 incorporating income and expenditure account.

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

1.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.7 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.

1.8 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.

1.9 Liabilities and provisions

Liabilities and provisions 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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are 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.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.10 Financial instruments

The trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 as detailed in note 13. Prepayments are not financial instruments. Amounts due to the trust's wholly owned subsidiary are held at face value less any impairment. 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 costs as detailed in note 15. 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 other financial instruments. Amounts due to the trust's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

1.12 Pensions

Retirement benefits to employees of the trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the 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.

1.13 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 Department for Education.

1.14 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Branksome Heath Junior School, Sylvan Infant School, Weston Park Primary School and Talbot Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 20.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments 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 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

There are no other critical areas of judgement.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Transfer from local authority on conversion	542,424	(3,693,000)	24,959,032	21,808,456
Transfer from existing academies on conversion	245,870	(375,000)	2,008,313	1,879,183
Subtotal detailed disclosure	788,294	(4,068,000)	26,967,345	23,687,639
Donations	967	-	-	967
Capital Grants	-	-	24,913	24,913
Subtotal	967	-	24,913	25,880
	789,261	(4,068,000)	26,992,258	23,713,519

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	1,191,825	1,191,825
Start Up Grants	-	190,000	190,000
Other DfE/ESFA grants	-	330,679	330,679
	-	1,712,504	1,712,504
Other government grants			
Local authority grants	-	73	73
Special educational projects	-	8,697	8,697
	-	8,770	8,770
	-	1,721,274	1,721,274

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Hire of facilities	14,783	-	14,783
Catering income	-	754	754
Shop income	130	-	130
Trip income	-	2,316	2,316
Club income	1,315	-	1,315
Consultancy income	395,407	-	395,407
Other income	7,947	-	7,947
	419,582	3,070	422,652

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Short term deposits	46	-	46

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £
Academy's educational operations:				
Direct costs	882,787	-	49,467	932,254
Support costs	599,362	48,892	349,735	997,989
	<u>1,482,149</u>	<u>48,892</u>	<u>399,202</u>	<u>1,930,243</u>

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2017 £
Technology costs	13,470	13,470
Premises costs	48,892	48,892
Governance costs	145,790	145,790
Other costs	137,483	137,483
Wages and salaries	371,153	371,153
National insurance	33,304	33,304
Pension cost	191,973	191,973
Depreciation	55,924	55,924
	<u>997,989</u>	<u>997,989</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £
Depreciation of tangible fixed assets: - owned by the charity	55,924
Auditors' remuneration - audit	27,435
Operating lease rentals	<u>4,575</u>

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017 £
Wages and salaries	1,064,684
Social security costs	90,512
Operating costs of defined benefit pension schemes	301,152
	<hr/>
Apprenticeship levy	1,456,348
Supply teacher costs	2,932
	<hr/>
	22,869
	<hr/>
	1,482,149
	<hr/>

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

	2017 No.
Teachers	58
Management	11
Support	163
	<hr/>
	232
	<hr/>

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

	2017 No.
In the band £70,001 - £80,000	3
In the band £90,001 - £100,000	2
In the band £120,001 - £130,000	1

The above bandings have been annualised to give a true and fair view.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of staff costs in respect of key management personnel was £97,962.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

10. CENTRAL SERVICES

The trust has provided the following central services to its academies from 1 June 2017 (please refer to the Governance Review for more information):

- Standards
- Human resources services
- Financial services
- Legal services
- Educational support services
- Information technology services
- Health and safety services
- Facility management services
- Leadership and management services

The trust charges for these services on the following basis:

Flat percentage of 5% of GAG income for secondary schools and 5.5% of GAG income for all other schools.

The actual amounts charged during the year were as follows:

	2017 £
Branksome Heath Junior School	20,001
Sylvan Infant School	22,886
Ludlow Infant Academy	13,673
Weston Park Primary School	15,739
Talbot Primary School	13,252
	<hr/>
Total	85,551 <hr/>

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

11. TRUSTEES' REMUNERATION AND EXPENSES

During the period, no trustees received any remuneration.
During the period ended 31 August 2017, expenses totalling £897 were reimbursed to 3 trustees.

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
Additions	26,618,656	224,198	58,783	11,615	26,913,252
At 31 August 2017	26,618,656	224,198	58,783	11,615	26,913,252
Depreciation					
Charge for the period	52,503	-	2,760	661	55,924
At 31 August 2017	52,503	-	2,760	661	55,924
Net book value					
At 31 August 2017	26,566,153	224,198	56,023	10,954	26,857,328

13. DEBTORS

	2017 £
Trade debtors	18,129
Other debtors	1,468,255
Prepayments and accrued income	116,007
VAT recoverable	44,656
	<u>1,647,047</u>

14. TRUSTEES' AND OFFICERS' INSURANCE

The 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.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

15. CREDITORS: Amounts falling due within one year

	2017
	£
Trade creditors	487,030
Other taxation and social security	131,350
Other creditors	246,237
Accruals and deferred income	264,002
	<hr/> 1,128,619 <hr/>
	£
Deferred income	
Resources deferred during the year	<hr/> 240,050 <hr/>

Deferred income represents amounts received for universal infant free school meals, special educational projects and other grants which are in respect of the forthcoming year.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

16. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	-	1,208,889	(514)	(185,890)	-	1,022,485
Restricted funds						
General Annual Grant (GAG)	-	1,191,825	(1,191,825)	-	-	-
Start Up Grant	-	190,000	(80,088)	-	-	109,912
Pupil Premium	-	256,945	(256,945)	-	-	-
Other grants	-	82,504	(82,504)	-	-	-
Other Educational Activities	-	3,070	(138,443)	135,373	-	-
Pension reserve	-	(4,068,000)	(124,000)	-	148,000	(4,044,000)
	-	(2,343,656)	(1,873,805)	135,373	148,000	(3,934,088)
Restricted fixed asset funds						
Restricted fixed asset funds	-	26,616,744	(55,924)	296,508	-	26,857,328
DfE/ESFA capital grants	-	24,913	-	(21,793)	-	3,120
DfE/ESFA capital grant transferred on conversion	-	6,257	-	-	-	6,257
CIF - Glazing	-	3,933	-	-	-	3,933
CIF - Ceiling & lighting	-	2,499	-	-	-	2,499
CIF - Heating	-	1,877	-	-	-	1,877
CIF - Fire protection	-	124,104	-	(68,421)	-	55,683
CIF - Toilet	-	211,931	-	(155,777)	-	56,154
	-	26,992,258	(55,924)	50,517	-	26,986,851
Total restricted funds	-	24,648,602	(1,929,729)	185,890	148,000	23,052,763
Total of funds	-	25,857,491	(1,930,243)	-	148,000	24,075,248

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

16. STATEMENT OF FUNDS (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the following funding streams:

- school budget share;
- minimum funding guarantee;
- education services grant;
- insurance;
- rates.

Start up grant

This is funding received from the DfE to cover the one-off expenses associated with conversion to academy status and supporting an underperforming academy as a sponsor.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

Teaching School

Teaching schools are outstanding schools that work with others to provide high quality training and development to new and experienced school staff. This is funding received from the DfE/ESFA for this purpose.

Schools Direct

This is funding received from the DfE/ESFA in respect of School Direct courses for initial teacher training.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is money received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

16. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £
Branksome Heath Junior School	109,156
Sylvan Infant School	193,609
Ludlow Infant Academy	209,539
Weston Park Primary School	256,540
Talbot Primary School	147,205
Hamwic Education Trust	216,348
	<hr/>
Total before fixed asset fund and pension reserve	1,132,397
Restricted fixed asset fund	26,986,851
Pension reserve	(4,044,000)
	<hr/>
Total	24,075,248

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £
Branksome Heath Junior School	214,063	74,865	7,574	65,789	362,291
Sylvan Infant School	248,240	93,838	8,780	64,707	415,565
Ludlow Infant Academy	122,829	61,182	7,127	44,635	235,773
Weston Park Primary School	173,991	49,880	300	33,424	257,595
Talbot Primary School	123,664	32,280	3,365	36,498	195,807
Hamwic Education Trust	-	287,317	4,822	115,149	407,288
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	882,787	599,362	31,968	360,202	1,874,319

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

SUMMARY OF FUNDS - CURRENT YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	-	1,208,889	(514)	(185,890)	-	1,022,485
Restricted funds	-	(2,343,656)	(1,873,805)	135,373	148,000	(3,934,088)
Restricted fixed asset funds	-	26,992,258	(55,924)	50,517	-	26,986,851
	-	25,857,491	(1,930,243)	-	148,000	24,075,248

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	26,857,328	26,857,328
Current assets	1,022,485	1,238,531	129,523	2,390,539
Creditors due within one year	-	(1,128,619)	-	(1,128,619)
Provisions for liabilities and charges	-	(4,044,000)	-	(4,044,000)
	1,022,485	(3,934,088)	26,986,851	24,075,248

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

	2017 £
Net income for the year (as per Statement of Financial Activities)	23,927,248
Adjustment for:	
Depreciation charges	55,924
Dividends, interest and rents from investments	(46)
Increase in debtors	(1,647,047)
Increase in creditors	1,128,619
Capital grants from DfE and other capital income	(24,913)
Defined benefit pension scheme obligation inherited	4,068,000
Defined benefit pension scheme cost less contributions payable	105,000
Defined benefit pension scheme finance cost	19,000
Net assets and liabilities from local authority on conversion	(26,616,744)
Net cash provided by operating activities	1,015,041

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £
Cash in hand and at bank	743,492
Total	<u>743,492</u>

20. CONVERSION TO AN ACADEMY TRUST

During the period, the following schools converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hamwic Education Trust from the respective local authorities for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as donations.

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

Branksome Heath Junior School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds 2017 £
Tangible fixed assets:				
Leasehold land and buildings	-	-	7,100,000	7,100,000
Budget surplus / (deficit) on LA funds	62,891	-	-	62,891
LGPS pension surplus / (deficit)	-	(831,000)	-	(831,000)
Net assets	<u>62,891</u>	<u>(831,000)</u>	<u>7,100,000</u>	<u>6,331,891</u>

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

Sylvan Infant School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds 2017 £
Tangible fixed assets:				
Leasehold land and buildings	-	-	3,750,000	3,750,000
Budget surplus / (deficit) on LA funds	158,533	-	-	158,533
LGPS pension surplus / (deficit)	-	(1,191,000)	-	(1,191,000)
Net assets	<u>158,533</u>	<u>(1,191,000)</u>	<u>3,750,000</u>	<u>2,717,533</u>

Weston Park Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds 2017 £
Tangible fixed assets:				
Leasehold land and buildings	-	-	7,604,258	7,604,258
Budget surplus / (deficit) on LA funds	186,000	-	-	186,000
LGPS pension surplus / (deficit)	-	(1,334,000)	-	(1,334,000)
Net assets	<u>186,000</u>	<u>(1,334,000)</u>	<u>7,604,258</u>	<u>6,456,258</u>

Talbot Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds 2017 £
Tangible fixed assets:				
Leasehold land and buildings	-	-	6,504,774	6,504,774
Budget surplus / (deficit) on LA funds	135,000	-	-	135,000
LGPS pension surplus / (deficit)	-	(337,000)	-	(337,000)
Net assets	<u>135,000</u>	<u>(337,000)</u>	<u>6,504,774</u>	<u>6,302,774</u>

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

21. TRANSFER OF EXISTING ACADEMIES INTO THE TRUST

Ludlow Infant Academy

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Tangible fixed assets			
Long-term leasehold property	1,604,440	-	1,604,440
Plant and machinery	1,167	-	1,167
Fixtures and fittings	5,982	-	5,982
Computer equipment	4,768	-	4,768
Debtors due within one year	153,999	-	153,999
Cash in bank and in hand	528,764	-	528,764
Liabilities			
Creditors due within one year	(119,814)	-	(119,814)
Pensions			
Pensions - pension scheme assets	544,000	-	544,000
Pensions - pension scheme liabilities	(919,000)	-	(919,000)
Net assets	1,804,306	-	1,804,306

Hamwic Trust transferred into the trust on 1 June 2017 with net assets of £74,877.

22. PENSION COMMITMENTS

The trust'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 Hampshire County Council and Dorset 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 2016.

Contributions amounting to £97,988 were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

22. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £59,086.

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).

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.

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

22. PENSION COMMITMENTS (continued)

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 period ended 31 August 2017 was £116,000, of which employer's contributions totalled £85,000 and employees' contributions totalled £31,000. The agreed contribution rates for future years are 13.1% for employers and 5.5% - 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:

	2017
Discount rate for scheme liabilities	2.50 %
Rate of increase in salaries	3.40 %
Rate of increase for pensions in payment / inflation	1.90 %
Inflation assumption (CPI)	1.90 %

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

	2017
Retiring today	
Males	24.0 and 23.9
Females	27.0 and 26.0
Retiring in 20 years	
Males	26.0 and 26.2
Females	29.3 and 28.3

	At 31 August 2017 £
Sensitivity analysis	
Discount rate +0.1%	7,761,000
Discount rate -0.1%	8,195,000
Mortality assumption - 1 year increase	7,998,000
Mortality assumption - 1 year decrease	7,956,000

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017**

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £
Equities	2,305,000
Gilts	787,000
Corporate bonds	25,000
Property	294,000
Cash and other liquid assets	113,000
Other bonds	186,000
Diversified growth fund	71,000
Infrastructure	72,000
Other	78,000
Total market value of assets	<u>3,931,000</u>

The actual return on scheme assets was £75,000.

The amounts recognised in the statement of financial activities are as follows:

	2017 £
Current service cost	(190,000)
Net interest cost	(19,000)
Total	<u>(209,000)</u>

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

	2017 £
Upon conversion	6,890,000
Transferred in on existing academies joining the trust	919,000
Current service cost	190,000
Interest cost	35,000
Employee contributions	31,000
Actuarial gains	(89,000)
Benefits paid	(1,000)
Closing defined benefit obligation	<u>7,975,000</u>

HAMWIC EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

22. PENSION COMMITMENTS (continued)

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

	2017 £
Upon conversion	3,197,000
Transferred in on existing academies joining the trust	544,000
Interest income	16,000
Actuarial gains	59,000
Employer contributions	85,000
Employee contributions	31,000
Benefits paid	(1,000)
	<hr/>
Closing fair value of scheme assets	3,931,000
	<hr/> <hr/>

23. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £
Amounts payable:	
Within 1 year	21,994
Between 1 and 5 years	29,310
	<hr/>
Total	51,304
	<hr/> <hr/>

24. 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.

25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.