

Hamwic Education Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2022

Company Registration Number:
10749662 (England and Wales)

Hamwic Education Trust

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Hamwic Education Trust

Reference and Administrative Details

Members

Salisbury Diocesan Board of Education
P Bray (resigned 15 November 2022)
C Elliot-Newman (appointed 23 November 2021)
A Macrow-Wood
I Miller (resigned 23 November 2021)
D Roberts (appointed 15 November 2022)
M Rumble
A Wrighton (appointed 1 September 2021)

Trustees

A Wrighton, Chairperson
P Bray (resigned 20 July 2022)
D Hardcastle (appointed 13 October 2021)
M Ibrahim (appointed 23 November 2021)
H Kemp (appointed 23 November 2021)
C Knox
R Leach
M Parsons
G Plummer (appointed 13 October 2021)
C Scoggins (appointed 23 November 2021)
A Thould

Company Secretary

G Carr

Senior Management Team:

R Farmer – Chief Executive Officer
G Carr – Deputy Chief Executive Officer – Business
L Adams – Deputy Chief Executive Officer – Education (resigned 31 March 2022)
S Preston – Chief Financial Officer
C Bulmer – Standards Officer
A Wilkinson – Standards Officer
D Fox – Standards Officer
J Turvey – Standards Officer

Hamwic Education Trust

Reference and Administrative Details

Company Name

Hamwic Education Trust

Principal and Registered Office

Unit E, The Mill Yard

Nursling Street

Southampton

Hampshire

SO16 0AJ

Company Registration Number

10749662 (England and Wales)

Independent Auditor

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Bankers

Lloyds Bank

77 Shirley High Street

Southampton

Hampshire

SO15 3TX

Solicitors

Blake Morgan LLP

New Kings Court

Tollgate

Chandlers Ford

Hampshire

SO53 3LG

Hamwic Education Trust

Trustees' Report

Hamwic Education Trust operates the following schools:

| School Name | LA Area | School Leader |
|--|-------------|--------------------|
| Upper Shirley High School | Southampton | Chris Symes |
| Wordsworth Primary School | Southampton | Julie-Anne Palfrey |
| Shirley Junior School | Southampton | Annette Hixon |
| Shirley Infant School | Southampton | Cate Gregory |
| Hollybrook Junior School | Southampton | Marcella Dobson |
| Hollybrook Infant School | Southampton | Marcella Dobson |
| Southampton Children's Hospital School | Southampton | Nell Giles |
| Weston Secondary School | Southampton | Louisa Paston |
| Harefield Primary School | Southampton | Emma Charlton |
| Beechwood Junior School | Southampton | Lucy Phillips |
| Townhill Infant School | Southampton | Bev Corbin |
| Glenfield Infant School | Southampton | Liz Carrie |
| Weston Park Primary School | Southampton | James Wiltshire |
| Weston Shore Infant School | Southampton | James Wiltshire |
| Westover Primary School | Portsmouth | Jo Dorricott |
| Gatcombe Park Primary School | Portsmouth | Ian Baker |
| Hamworthy Park Junior School | Poole | Susannah Hill |
| Twin Sails Infant School and Nursery | Poole | Susannah Hill |
| Bearwood Primary School and Nursery | Poole | Laura Bennett |
| Springdale First School | Poole | Debbie Budden |
| Lytchett Matravers Primary School | Dorset | Simon France |
| Upton Junior School | Dorset | Tony Collins |
| Upton Infant School | Dorset | Duncan Churchill |
| Henbury View First School | Dorset | Sally Wall |
| Wimborne First School | Dorset | Sarah Hartley |
| Ludlow Infant Academy | Southampton | Bev Corbin |
| Thornhill Primary School | Southampton | Lucy Carroll |
| Sholing Junior School | Southampton | Matt Abbott |
| Sholing Infant School | Southampton | Lisa Houghton |
| Woolston Infant School | Southampton | Simon Arthur |
| Livingstone Road Junior School | Poole | Suzy Hayward |
| Livingstone Road Infant School | Poole | Suzy Hayward |
| Talbot Primary School | Poole | Kate Curtis |
| Bishop Aldhelm's C of E Primary School | Poole | Scott Tait |
| Hillbourne Primary School | Poole | Helen Roderick |

Hamwic Education Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of Hamwic Education Trust for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Hamwic Education Trust operates thirty five schools in Southampton, Portsmouth, Poole and Dorset in addition to a SCITT. Its schools have a total pupil capacity of 12,984 and pupil numbers of 11,828 as at January 2022.

Structure, Governance and Management

Constitution

Hamwic Education 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 operates as Hamwic Education Trust.

Details of the Trustees who served during the year and to the date these financial statements are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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 they are acquitted or in connection with any application in which relief is granted to them 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

In line with the Trusts articles of association, Trustees are able to be appointed using any one of the following methods:

- By ordinary resolution of the members
- As approved by the Salisbury Diocesan Board of Education
- Co-opted by the Board of Trustees

The Board of Trustees are a skills based body made up of a diverse range of experienced professionals. Trustees are recruited from a variety of sources such as businesses within the community, local educational establishments and from other sources and would be recruited to fill an identified gap in skills. The term of office for any Trustee is four years and thereafter they may be re-appointed.

Hamwic Education Trust

Trustees' Report

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, compliance 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 Trustee.

Trustees are expected to visit schools and participate in regular professional development to ensure that they are able to discharge their responsibilities effectively.

Organisational Structure

Hamwic Education Trust's organisational structure consists of four levels: the Trust Members, the Board of Trustees, the executive team and the school's local governing bodies. This organisational structure is intended to devolve responsibility and encourage involvement in decision making at all levels.

The Trust's Members are responsible for appointing Members and Trustees, appointing and removing external and internal auditors and ensuring the success to the Trust by holding the Board of Trustees to account.

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

The executive team consists of the Chief Executive Officer (CEO), Deputy Chief Executive Officer – Business and Deputy Chief Executive Officer – Education (currently vacant). The executive team through the CEO has responsibility for the operation of the Trust including the performance of the Trust's schools. The CEO delegates executive management functions to the executive management team and is accountable to the Board of Trustees for the performance of the executive team.

The local governing bodies of schools 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 schools standards, finance, premises and health and safety in accordance with the scheme of delegation.

The audit and risk committee, which reports to the Board of Trustees, is responsible for risk management, external audit, the appointment of external auditors and internal audit.

The pay and performance committee is responsible for holding the CEO to account through effective performance management and for setting the remuneration of the executive team.

Hamwic Education Trust

Trustees' Report

Organisational Structure (continued)

During the year ending 31 August 2022, the Trust operated a finance committee and a standards committee, both of which reported to the Board of Trustees. The finance committee was responsible for developing the financial strategy for the Trust, budgeting and financial planning, monitoring financial performance and capital planning. The standards committee was responsible for monitoring educational performance of the schools within the Trust including but not limited to progress, attainment, absence and exclusions. From 1 September 2022, a new governance structure is in place which does not include these committees – please refer to the Governance Statement on pages 18 to 23 for more information.

Individual school leadership teams consist of the senior management at each school. They are responsible for developing and 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.

Arrangements for setting pay and remuneration of key management personnel

Pay arrangements for key management personnel are set by the pay and performance committee. Benchmarking against other multi-academy trusts and other charitable institutions is carried out on an annual basis. Robust targets are set for each individual leader with pay awards being dependent on the 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 STPCD to set the parameters for key management personnel pay. Targets are set for each individual leader with increments with each school's ISR being awarded for performance and success in meeting these targets. Any remuneration outside of the schools ISR or an increase of greater than 2 scale points is subject to approval by the pay and performance committee.

Hamwic Education Trust

Trustees' Report

Trade union facility time

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 1 | 1 |

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | |
|---|--------|
| Total cost of facility time | £566 |
| Total pay bill | £61.8m |
| Percentage of the total pay bill spent on facility time | 0.00% |

Paid trade union activities

| | |
|---|-------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 0.00% |
|---|-------|

Related Parties and other Connected Charities and Organisations

The Trust is related to The Diocese of Salisbury, which is entitled to appoint 50% of the Trustees.

Engagement with employees (including disabled persons)

During the year, the policy of providing employees with information about the Trust has been via internal media methods, regular meetings and conferences, which allow a free flow of information.

The Trust pursues an employment policy of equal opportunity and strives to follow best practice in recruitment and selection. It does not discriminate on the grounds of race, nationality, sex, marital status, disability, religious or political beliefs.

The Trust gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the Trust's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Hamwic Education Trust

Trustees' Report

Engagement with suppliers, customers and others in a business relationship with the trust

The Board of Trustees are committed to effective engagement of all stakeholders, including but not limited to pupils, parents, staff, the local community and suppliers.

The Board of Trustees are committed to ensuring that all pupils have the opportunity to fulfil their potential, as set out in the Trust's vision and objectives. The impact on pupils, parents and the local community is at the heart of all decisions made by the Board of Trustees. The Board of Trustees receive regular reporting on pupil outcomes and performance.

The Board of Trustees acknowledge the importance of maintaining positive relationships with the Trust's suppliers. Tendering and procurement processes are completed in a fair manner, ensuring all parties are treated equally. During the year ending 31 August 2022, 93% of suppliers were paid within 60 days and 76% within 30 days. Regular meetings are held with key suppliers.

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 schools.

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 schools, 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 is all about the child – we aim to put the child at the centre of everything we do. We believe that by doing this, it drives our ethos and values to do the best we can for our children. Sam is the name we have given to the notional Hamwic child. By asking ourselves 'What About Sam?' we ensure that we put our pupils at the heart of our decision making.

Hamwic Education Trust celebrates the uniqueness of our pupils, staff and schools, where we aim for everyone to achieve their full potential through the pathways of opportunities available.

This will be achieved by:

- Supporting and challenging our leaders, staff and pupils to achieve their best, ensuring the Trust has the skills and expertise to do this
- Providing a safe and enabling learning environment for all
- Ensuring that every pupil has the same opportunities to be successful
- Providing opportunities for the complete learning journey for pupils and staff
- Ensuring schools have the resources they need for learning
- Recognising and respecting the individuality of each school and setting
- Facilitating communities of schools working together for the benefit of all, both in partnerships and across the wider Trust

Hamwic Education Trust

Trustees' Report

Objectives, Strategies and Activities (continued)

Our ethos is to be:

- Inclusive – opportunities for all
- Supportive – health and well-being
- Collaborative – recognising that the sum is bigger than the individual parts
- Respectful – of each other, our people and pupils
- Outward-Facing – learning from each other and outside of the Trust
- Empowering – staff and pupils to take a collective responsibility for learning
- Open and honest – transparent in our decision making

Our aspirations are:

- All pupils to make expected progress or better
- All schools to be judged good or better by Ofsted
- To be an Employer of Choice – recruit, develop and retain the best
- All schools and the Trust to be financially sustainable
- All schools to have a safe learning environment to support learning and development

The strategic plan for Hamwic Education Trust is broken down into four non-negotiables and five strategic intents.

The non-negotiables are:

- All pupils make at least expected progress
- All schools are rated at least 'Good' by Ofsted
- All schools and the Trust are financially sustainable
- All children are kept safe

The strategic intents are based on:

- Safeguarding - ensure all pupils and adults are kept safe and supported in environments that help them flourish
- Attendance - high levels of attendance for both pupils and adults
- Curriculum - broad and diverse curriculum
- CPD - high quality staff with high quality teachers delivering high quality lessons
- Governance - robust governance at all levels

Hamwic Education Trust

Trustees' Report

Public Benefit

In setting objectives and planning activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit. The key public benefit delivered by the Trust is the maintenance and development of the high quality education provided to the young people of the communities the schools serve.

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

Strategic Report

Achievements and Performance

Throughout the year ending 31 August 2022, Hamwic Education Trust has firmly established new vision and values, encapsulated within the statement; "all about the child" – we aim to put the child at the centre of everything we do. We believe that by doing this, it drives our ethos and values to do the best we can for our children. This vision is now well established throughout the Trust and is used as common language through all levels of governance and in the day to day running of our schools.

An extensive governance review was completed during the year which was driven by the new vision and values. A new governance structure has been introduced from 1 September 2022, which places children at the centre of all governance discussions. The revised structure will result in more cohesive and interactive governance throughout the Trust. Please refer to the Governance Statement on pages 18 to 23 for more information.

It has been an exciting year for curriculum development across the Trust. Through our new vision and values, all children are in receipt of an ambitious and broad curriculum offer which enables them to build their knowledge and skills. This has been confirmed by Ofsted inspections, which stated that the quality of education was good in all of the schools they visited during the year.

Mental health continues to be a key priority for the Trust, both for staff and pupils. For staff, we have continued to offer services including legal advice, counselling, mental health support for staff and family members, a meditation app and health and wellbeing drop-in sessions. For pupils, we have invested in trauma informed training for our managed services team and school leaders to ensure that appropriate strategies are able to be implemented for all pupils who require support. In addition to this, a number of staff are now accredited Trauma Informed Practitioners, with more staff undergoing this accreditation in the year ahead.

Investment in the Trust's estates has continued through the year. Weston Secondary School has seen significant works commence on a new roof and major internal refurbishment works. Upper Shirley High School have broken ground on their new sports hall. In addition, heating and boiler upgrades, CCTV installations, asbestos removal, fire safety and roof works have been carried out at several schools, with further works planned for the year ahead.

Hamwic Education Trust

Trustees' Report

Achievements and Performance (continued)

The Hamwic SCITT continues its exceptional track record of developing new teachers, with ten trainees all achieving QTS status.

The HET (Hamwic Education Trust) Foundation has continued to go from strength to strength, with in excess of 350 Christmas Eve boxes provided to some of our most vulnerable and disadvantaged pupils. In addition, families were supported via the provision of summer hampers to support with the cost of living crisis. Alongside this, support has been provided to vulnerable and disadvantaged pupils and their families throughout the year.

Key Performance Indicators

Ofsted:

During the year ending 31 August 2022 the Trust had ten Ofsted inspections. All of these inspections resulted in Good judgements, with four improving their judgements.

As at 31 August 2022, six schools had an Ofsted judgement of Outstanding, twenty five had Ofsted judgements of Good, three had Ofsted judgements of Requires Improvement (all of whom are sponsored schools who have not yet been inspected since conversion) and one had an Ofsted judgement of Special Measures (a sponsored school who have not yet been inspected since conversion).

Academic Performance:

GCSE Achievement

| | Upper Shirley High School (2022) | Weston Secondary School * (2022) |
|----------------------------------|----------------------------------|----------------------------------|
| Progress 8 Score | 0.28 | -0.72 |
| Attainment 8 Score | 52.7 | 35.3 |
| Grade 9 – 4 in English and Maths | 78% | 36% |
| Grade 9 – 5 in English and Maths | 56% | 23% |

* Weston Secondary School converted as a sponsored school on 1 September 2021.

Key Stage 2 Achievement

| | Hamwic Education Trust (2022) | National |
|----------|-------------------------------|----------|
| Reading | 70% | 74% |
| Writing | 63% | 69% |
| Maths | 65% | 71% |
| GPAS | 66% | 72% |
| Combined | 52% | 59% |

Hamwic Education Trust

Trustees' Report

Key Performance Indicators (continued)

Key Stage 1 Achievement

| | Hamwic Education Trust (2022) | National |
|---------|-------------------------------|----------|
| Reading | 71% | 67% |
| Writing | 61% | 58% |
| Maths | 72% | 68% |

Early Years Achievement

Students achieving a 'Good Level of Development' for the year was 68% compared to the national average of 65%.

Financial Key Performance Indicators:

Staff Costs / GAG Income – 114% (2021 – 117%)

Staff Costs / Total Income – 82% (2021 – 87%)

Teaching Staff Costs / Total Income – 44% (2021 – 48%)

Revenue Reserves / GAG Income – 11% (2021 – 13%)

Current Assets less Current Liabilities – £14,153k (2021 - £9,513k)

Current Ratio – 3.41 (2021 – 2.76)

Pupil Teacher Ratio – 21.2 (2021 – 20.4)

Primary Contact Ratio – 0.74 (2021 – 0.74)

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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.

Promoting the success of the company

The Board of Trustees undertake business in such a way that, in good faith, best promotes the success of the Trust in achieving its charitable purposes and in doing so, has regard (amongst other matters) to:

The likely consequences of any decision in the long term:

The Trust has developed a long-term strategy which is embedded through the organisation. This strategy has been developed with a focus through the vision and values of the Trust. The Board of Trustees will continue to monitor the progress of this strategy and how decisions will have an impact on the Trust in the long term.

The interests of the Trust's employees:

The Trust has developed effective methods for communicating with staff. This includes but is not limited to; regular conferences and other briefings for key staff groups, regular bulletins of key activities and actions for key staff groups, termly newsletters shared with all staff and obtaining wellbeing and other surveys from staff.

Hamwic Education Trust

Trustees' Report

Promoting the success of the company (continued)

The need to foster the Trust's business relationships with suppliers, pupils, parents and others:

As detailed on page 8, the Board of Trustees are committed to effective engagement of all stakeholders, including suppliers, pupils, parents and others.

The impact of the Trust's operations on the community and the environment:

The Trust is committed to ensuring that positive relationships are established with the local communities that its schools operate in. Each school has the freedom to respond to the needs of its community as appropriate.

The Trust continues to monitor the impact it has on the environment, with a sustainability strategy being developed.

The desirability of the Trust in maintaining a reputation for high standards of business conduct:

The Trust fosters a culture of high standards with regards to business conduct as demonstrated in its ethos. Policies and procedures are updated on a regular basis to ensure that this culture remains.

The need to act fairly as between members of the Trust:

This principle is embedded within the Trust's vision and values and is integrated through all members of the Trust including, but not limited to; the Board of Trustees, local governing bodies and staff.

Financial Review

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 year ended 31 August 2022 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.

During the year ending 31 August 2022, Hamwic Education Trust received total income of £96,756k (2021: £72,322k), of which £21,782k (2021: £12,169k) related to income transferred from local authority on conversion. Of this amount, £61,814k (2021: £53,035k) was received from the Department of Education via the Education and Skills 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 £13,160k (2021: £7,118k).

Costs for the year totalled £76,385k (2021: £63,004k).

Hamwic Education Trust

Trustees' Report

Financial Review (continued)

The in-year surplus/deficit for the year ending 31 August 2022 was £20,371k (2021: £9,318k). This is inclusive of £21,782k (2021: £12,169k) of income transferred from local authority on conversion.

After taking into account the actuarial assessed gain/(loss) on the LGPS of £40,052k (2021: (£2,326k)), the Trust carried forward reserves of £164,059k (2021: £103,636k) as at 31 August 2022.

The Trust has considered the impact of COVID-19 on its financial position, which has negatively impacted some schools, for example, due to lost income from club and lettings income as well as additional costs that are not covered by the DfE. All funding received in relation to COVID-19 was spent in accordance with the terms of the grants. The Trust continues to be committed to ensuring that all schools remain financially sustainable over the coming years.

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 determined that the Trust shall hold no less than £2,500k in total revenue reserves. Of this amount, no less than £500k and up to £1,000k will be held centrally.

Individual schools within the Trust are expected to hold no more than 8% of its general annual grant in revenue reserves. Where schools hold reserves in excess of this 8%, they have plans to utilise them on educational activities which will be spent over the next 2 years.

All reserves policies are reviewed annually.

The level of free reserves held in the unrestricted fund at the year ended 31 August 2022 was £6,194k (2021: £5,819k). The level of reserves held in the restricted fund (excluding pension reserves) at the year ended 31 August 2022 was £nil (2021: £nil). Therefore, the net surplus held in reserves at the year ended 31 August 2022 was £6,194k (2021: £5,819k).

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 invested are placed with FCA registered institutions 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 produces a risk register which is 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).

Hamwic Education Trust

Trustees' Report

Principal Risks and Uncertainties (continued)

The internal audit function of the Trust is risk based and driven by the assessment of key risks identified.

The major risks faced by the Trust, which have been identified by the Board of Trustees, and their mitigation strategies are as follows:

| Risk | Mitigation |
|--|---|
| Safeguarding | High quality staff training in place, with robust safeguarding audits completed on a periodic basis. |
| Academic outcomes and OFSTED | Robust tracking systems in place, action plans developed and monitored following reviews. |
| Outcomes for students following COVID-19 | Clear action plans in place for schools to ensure catch up activity and tutoring provision are aimed at mitigating the impact of lost learning during COVID-19. |
| Pupil mental health | Strategy in place to ensure all schools have appropriate support provision in place. |
| Governance | Regular skills audits completed, recruitment of Trustees as required and governance reviewed on a regular basis. |
| Staff health and wellbeing | Strategy in place. Surveys undertaken; staff wellbeing meetings arranged regularly. Health and financial wellbeing drop in sessions available termly. |
| Corruption of IT, ransomware and disaster recovery | Back-ups completed daily in two separate locations (one off-site) and restores completed on a periodic basis. |
| Data breaches | Firewalls, VPN's, filtering systems and encryption systems in place and monitored on a daily basis. |
| Health and safety | Robust processes and procedures in place. Audits completed on a regular basis and continuity plans developed. |
| Financial sustainability | Future funding, pupil forecasts, staffing costs and other areas of impact assessed and reviewed regularly. |
| Supply chain and inflation | Good relationships established with key suppliers to ensure continued provision. Key contracts secured for numerous years. |
| Fraud | Robust processes in place, regular communication with key staff about areas of risk. |
| School estates | Condition surveys completed, utilisation of capital funding to ensure estates are fit for purpose. |
| Succession planning and loss of key staff | Structures regularly reviewed, potential staffing gaps identified and CPD plans developed. Key personnel with potential identified and developed. |
| COVID-19 | Managed as per existing policies and procedures. |

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

Hamwic Education Trust

Trustees' Report

Fundraising

As part of its work within the community, the Trust undertakes various fundraising activities. The Trust raises funds in order to support its own operations and also to make donations to vulnerable stakeholders in the community (via the HET foundation), and local and national charities. The Trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the Trust during the year.

Streamlined Energy and Carbon Reporting

| UK Greenhouse gas emissions and energy use data for the period | 1 September 2021 to 31 August 2022 | 1 September 2020 to 31 August 2021 |
|--|------------------------------------|------------------------------------|
| Energy consumption used to calculate emissions (kWh) | 10,318,718 | 10,641,898 |
| <u>Scope 1 emissions in metric tonnes CO2e</u> | | |
| Gas consumption | 1,288.97 | 1,532.82 |
| Biomass | 0.83 | 2.01 |
| Owned transport – mini-buses | 3.10 | 3.46 |
| Total scope 1 | 1,292.90 | 1,538.29 |
| <u>Scope 2 emissions in metric tonnes CO2e</u> | | |
| Purchased electricity | 598.78 | 439.27 |
| <u>Scope 3 emissions in metric tonnes CO2e</u> | | |
| Business travel in employee owned vehicles | 22.65 | 7.51 |
| Total gross emissions in metric tonnes CO2e | 1,914.33 | 1,985.07 |
| <u>Intensity ratio</u> | | |
| Tonnes CO2e per pupil | 0.1626 | 0.1829 |

Quantification and Reporting Methodology

The Trust have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Trust is committed to reducing longer term emissions and has implemented a strategy of ensuring all works to its estates include measures to meet this aim. This includes ensuring that roof works, boiler and heating replacements and other capital works have a positive impact in reducing emissions. A rolling programme of replacing lighting with LED equivalents is also ongoing.

Hamwic Education Trust

Trustees' Report

Plans for Future Periods

The Trust had thirty five schools as at 31 August 2022.

Opportunities for expanding the number of schools within Hamwic Education Trust within its current geographic boundaries will continue to be explored.

Future plans for the Trust are focussed on delivering on the long term strategy including; raising standards, educational performance, Ofsted judgements, attendance, reducing exclusions and maintaining appropriate levels of reserves.

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not act as custodian Trustee on behalf of any others.

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 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.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2022 and signed on the board's behalf by:


AJR Wrighton (Dec 15, 2022 16:08 GMT)

A Wrighton

Chair of Trustees

Hamwic Education Trust

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

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 six times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

| <u>Trustee</u> | <u>Meetings attended</u> | <u>Out of a possible</u> |
|-------------------|--------------------------|--------------------------|
| A Wrighton, Chair | 6 | 6 |
| P Bray | 6 | 6 |
| D Hardcastle | 5 | 5 |
| M Ibrahim | 2 | 4 |
| H Kemp | 4 | 4 |
| C Knox | 5 | 6 |
| R Leach | 4 | 6 |
| M Parsons | 4 | 6 |
| G Plummer | 3 | 4 |
| C Scoggins | 2 | 4 |
| A Thould | 6 | 6 |

The Board of Trustees saw a return to face-to-face meetings during the year ending 31 August 2022, following a period of virtual meetings through COVID-19.

Following an extensive review of governance (see below), five new Trustees have been recruited to meet skills identified by the Board of Trustees.

Coverage of the Board of Trustee's work, an assessment of its performance and the quality of data used is covered in the following section.

Hamwic Education Trust

Governance Statement

Governance (continued)

Governance reviews:

During the year ending 31 August 2022, the Trust undertook an extensive governance review in consultation with the National Governance Association (NGA). This review aimed to ensure that the Trust's governance arrangements were fit for purpose and aligned with the newly developed vision and values; ensuring that governance is 'all about the child'. Specifically the review was aimed to ensure that a governance framework is established which:

- Meets statutory requirements
- Reflects recognised best practice
- Has a clear accountability framework at local governing body level
- Is sustainable and scalable to support future growth plans
- Is supported by an integrated annual plan of governance work centred around the child
- Ensures a skills based approach to Trustee recruitment
- Builds strong relationships, based on trust

The legacy governance structure across the Trust included the Board of Trustees and four sub-committees:

- Education committee
- Finance committee
- HR committee
- Audit and risk committee

In addition, local governing bodies generally adopted a similar structure of a main governing body and numerous sub-committees.

The governance review, and self-evaluation completed by the Board of Trustees, established that whilst this structure enabled review of key governance areas, these were too disparate with conversations happening in isolation.

To ensure that governance is 'all about the child' and that pupils are always at the top of the agenda, a revised governance structure has been implemented from 1 September 2022 which includes the Board of Trustees and only two committees:

- Audit and risk committee – as is statutorily required
- Pay and performance committee – to ensure pay and performance of the executive team is appropriate and effective

The vast majority of business will now be covered at Board of Trustee meetings to ensure that there is opportunity to discuss every aspect of the Trust at all meetings rather than at separate committee meetings for finance, HR and education which are intrinsically linked. This will allow for an integrated approach too, rather than looking at individual areas in isolation.

Hamwic Education Trust

Governance Statement

Governance (continued)

The governance review also established a pilot for several local governing bodies from 1 September 2022, who will follow a similar structure to that of the Board of Trustees. The progress of these pilots will be monitored carefully and if successful is likely to see all local governing bodies working through this structure over the coming years. The Board of Trustees has also established a communication strategy between themselves and local governing bodies to ensure that there is alignment of activity throughout the entire governance structure.

An in-depth review of the skills required for the Board of Trustees and a subsequent skills audit was also completed as part of the governance review. Expert Trustee roles have been established for key areas and have been successfully recruited to.

The use of data and key performance indicators was also established as part of the governance review, with the seven themes for monitoring performance being used as a baseline to define future reporting and accountability:

- Pupil numbers, attendance and exclusions
- Attainment and progress
- Curriculum planning
- Financial management and governance
- Quality assurance
- Safeguarding and well-being
- The school community – staff, pupils, parents and the governing board

This has led to the framework for a revised reporting structure that will be integrated into all governance meetings moving forwards.

The scheme of delegation was also reviewed in light of the above to ensure that responsibilities are allocated appropriately and not being duplicated within the governance structure.

The revised governance structure will be reviewed on a regular basis and a full review will be completed into its effectiveness within the next 12 months.

Conflicts of interest

The Trust has a policy which details how conflicts of interest are managed, ensuring that decisions undertaken are free from personal bias and do not unfairly favour any individual or company connected with the Trust.

Registers of interests are completed by all Trustees, local governors and senior staff who manage a budget. These registers of interests are updated at least annually, but are included as a standing agenda item at all Board of Trustee and local governing body meetings (including all committee meetings). These registers of interests are held in school with finance staff able to refer to them when purchasing decisions are being committed.

Hamwic Education Trust

Governance Statement

Governance (continued)

Finance and resources committee

The finance and resources committee was a sub-committee of the main Board of Trustees. Its purpose was to approve the financial strategy, approve budgets, monitor financial performance and approve financial policies. Attendance at meetings in the year was as follows:

| <u>Trustee</u> | <u>Meetings attended</u> | <u>Out of a possible</u> |
|----------------|--------------------------|--------------------------|
| C Knox, Chair | 4 | 4 |
| P Bray | 3 | 4 |
| A Wrighton | 4 | 4 |
| H Kemp | 3 | 3 |

Audit and risk committee:

The audit and risk committee is a sub-committee of the main Board of Trustees. Its purpose is to strategically lead on risk management, external audit, the appointment of external auditors and internal audit. Attendance at meetings in the year was as follows:

| <u>Trustee</u> | <u>Meetings attended</u> | <u>Out of a possible</u> |
|------------------|--------------------------|--------------------------|
| G Plummer, Chair | 3 | 3 |
| C Knox | 1 | 1 |
| M Parsons | 2 | 3 |
| P Bray | 1 | 1 |
| M Ibrahim | 2 | 2 |
| C Scoggins | 0 | 2 |

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:

- encouraging close working relationships with groups of schools to enable proactive support and challenge across the Trust
- continued challenge in the preparation of financial plans to ensure that the impact of spending is assessed and evaluated
- ensuring that educational outcomes and business functions have improved via the ongoing support of the managed services team
- reviewing procurement across the Trust to ensure better value, economies of scale and services
- robust oversight of financial information and effective benchmarking (both local and national)

Hamwic Education Trust

Governance Statement

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 1 September 2021 to 31 August 2022 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the finance and resources 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
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to buy-in an internal audit service from Moore (South) LLP. In addition, the Trust completed a governance review in consultation with the National Governors Association.

Hamwic Education Trust

Governance Statement

The Risk and Control Framework (continued)

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

- testing of payroll systems
- testing of purchase systems
- testing of month end reconciliations
- review of management accounting
- review of processes in relation to fraud
- testing of compliance with the Academy Trust Handbook
- full review of governance

On a regular basis, the auditor reports to the Board of Trustees, through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and (where appropriate) prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The work was completed as planned and provided the audit and risk committee with assurance that the key risks are managed appropriately with no material control issues identified.

Review of Effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- 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 audit and risk committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15 December 2022 and signed on its behalf by:


AJR Wrighton (Dec 15, 2022 16:08 GMT)

A Wrighton
Chair of Trustees


Robert Farmer (Dec 9, 2022 05:08 GMT)

R Farmer
Accounting Officer

Hamwic Education Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Hamwic Education Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2021.

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.


Robert Farmer (Dec 9, 2022 05:08 GMT)

R Farmer
Accounting Officer
15 December 2022

Hamwic Education Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2022 and signed on its behalf by:


AJR Wrighton (Dec 15, 2022 16:08 GMT)

A Wrighton
Chair of Trustees

Hamwic Education Trust

Independent Auditor's Report on the Financial Statements to the Members of Hamwic Education Trust

Opinion

We have audited the financial statements of Hamwic Education Trust ('the charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, and the Academies Accounts Direction 2021 to 2022 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Hamwic Education Trust

Independent Auditor's Report on the Financial Statements to the Members of Hamwic Education Trust

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. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Hamwic Education Trust

Independent Auditor's Report on the Financial Statements to the Members of Hamwic Education Trust

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company 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 to 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, the Academy Trust Handbook 2021, and the Academies Accounts Direction 2021 to 2022.
- We obtained an understanding of how the Trust is complying with these frameworks through discussions with management.

Hamwic Education Trust

Independent Auditor's Report on the Financial Statements to the Members of Hamwic Education Trust

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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. This description forms part of our Independent Auditor's Report.

Use of our report

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

Michaela Johns

M Johns FCCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 15/12/2022

Hamwic Education Trust

Independent Reporting Accountant's Assurance Report on Regularity to Hamwic Education Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 1 September 2021 to 31 August 2022 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 the 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 18 August 2021 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Hamwic Education Trust

Independent Reporting Accountant's Assurance Report on Regularity to Hamwic Education Trust and the Education & Skills Funding Agency

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academy Trust Handbook (effective from 1 September 2021) (ATH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the ATH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the ATH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the ATH.
- Review of governance arrangements to determine whether the requirements of the ATH have been met.
- Review of the Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

Hamwic Education Trust

Independent Reporting Accountant's Assurance Report on Regularity to Hamwic Education Trust and the Education & Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Michaela Johns

M Johns FCCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 15/12/2022

Hamwic Education Trust

Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account)

| | Note | Un- restricted funds £000 | Restricted General Funds £000 | Restricted Pension Funds £000 | Restricted Fixed Asset Funds £000 | 2021/22 Total £000 | 2020/21 Total £000 |
|--|------|------------------------------------|--|--|--|--------------------------|--------------------------|
| Income and endowments from: | | | | | | | |
| Donations and capital grants | 2 | 101 | - | - | 7,453 | 7,554 | 3,128 |
| Transfer from local authority on conversion | 26 | 126 | - | (2,244) | 23,900 | 21,782 | 12,169 |
| Other trading activities | 4 | 1,746 | 1,039 | - | - | 2,785 | 1,419 |
| Investments | 5 | 11 | - | - | - | 11 | 2 |
| Charitable activities: | | | | | | | |
| Funding for the academy trust's educational operations | 3 | - | 64,624 | - | - | 64,624 | 55,604 |
| Total | | 1,984 | 65,663 | (2,244) | 31,353 | 96,756 | 72,322 |
| Expenditure on: | | | | | | | |
| Charitable activities: | | | | | | | |
| Academy trust educational operations | 7 | - | 66,775 | 6,758 | 2,852 | 76,385 | 63,004 |
| Net income / (expenditure) | | 1,984 | (1,112) | (9,002) | 28,501 | 20,371 | 9,318 |
| Transfers between funds | 15 | (1,609) | 1,112 | - | 497 | - | - |
| Other recognised gains / (losses): | | | | | | | |
| Actuarial gains / (losses) on defined benefit pension schemes | 24 | - | - | 40,052 | - | 40,052 | (2,326) |
| Net movement in funds | | 375 | - | 31,050 | 28,998 | 60,423 | 6,992 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 5,819 | - | (40,757) | 138,574 | 103,636 | 96,644 |
| Total funds carried forward | | 6,194 | - | (9,707) | 167,572 | 164,059 | 103,636 |

The notes on pages 36 to 66 form part of these financial statements.

Hamwic Education Trust

Balance Sheet as at 31 August 2022

Company Number 10749662

| | Note | 2022 £000 | 2022 £000 | 2021 £000 | 2021 £000 |
|--|------|----------------|----------------|-----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 159,613 | | 134,880 |
| Current assets | | | | | |
| Debtors | 13 | 6,884 | | 2,618 | |
| Cash at bank and in hand | | 13,137 | | 12,307 | |
| | | <u>20,021</u> | | <u>14,925</u> | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 14 | <u>(5,868)</u> | | <u>(5,412)</u> | |
| Net current assets | | | <u>14,153</u> | | <u>9,513</u> |
| Total assets less current liabilities | | | <u>173,766</u> | | <u>144,393</u> |
| Defined benefit pension scheme liability | 24 | | (9,707) | | (40,757) |
| Total net assets | | | <u>164,059</u> | | <u>103,636</u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund | 15 | 167,572 | | 138,574 | |
| Pension reserve | 15 | <u>(9,707)</u> | | <u>(40,757)</u> | |
| Total restricted funds | | | <u>157,865</u> | | <u>97,817</u> |
| Unrestricted income funds | 15 | | 6,194 | | 5,819 |
| Total funds | | | <u>164,059</u> | | <u>103,636</u> |

The financial statements on pages 33 to 66 were approved by the Trustees and authorised for issue on 15 December 2022 and are signed on their behalf by:


A.J.R. Wrighton (Dec 15, 2022 16:08 GMT)

A Wrighton

Chair of Trustees

The notes on pages 36 to 66 form part of these financial statements.

Hamwic Education Trust

Statement of Cash Flows for the year ended 31 August 2022

| | Note | 2022 £000 | 2021 £000 |
|--|------|----------------|--------------|
| Cash flows from operating activities | | | |
| Net cash provided by (used in) operating activities | 19 | (3,258) | 2,231 |
| Cash flows from investing activities | 20 | 4,088 | (427) |
| Change in cash and cash equivalents in the reporting period | | 830 | 1,804 |
| Cash and cash equivalents at 1 September 2021 | | 12,307 | 10,503 |
| Cash and cash equivalents at 31 August 2022 | 21 | 13,137 | 12,307 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

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

Basis of Preparation

The financial statements of the 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Trust and are rounded to the nearest £1,000.

Going Concern

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

Income

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

- **Donations**

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

- **Grants**

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

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

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

Income (continued)

- **Other Income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **Transfer on conversion**

Where assets and liabilities 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 risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

The conversion from a state maintained school to an Academy 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 to the 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, restricted pension funds, and restricted fixed asset funds.

- **Donated fixed assets (excluding Transfers on conversion/into the Trust)**

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

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

Expenditure

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

Tangible Fixed Assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

As described in note 12, the Trust occupies school land and buildings under supplementary agreements with the Diocese of Salisbury.

The Trustees have considered the license arrangements for each school's land and buildings in the context of the accounting requirement set out in the Academies Accounts Direction 2021 to 2022 and have determined that the conditions required to conclude that the Trust has control over one of the school's land and buildings are not met and consequently those land and buildings are not recognised in the financial statements. The license arrangements allow the Trust to occupy the land and buildings free of charge and no income or expenditure is recognised for the rent free occupation because the Trustees do not consider that a reliable measure of the amount the Trust would otherwise have to pay to secure the premises can be made.

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

| | |
|------------------------------|---|
| Freehold Land and Buildings | 50 years straight line on buildings; not provided on land |
| Leasehold Land and Buildings | 50 years straight line on buildings; not provided on land |
| Furniture and Equipment | 5 years straight line |
| Computer Equipment | 5 years straight line |

No depreciation has been provided on long leasehold land as it is similar to freehold land, which does not require depreciation.

Where the Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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

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

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased Assets

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

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. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

Pensions Benefits

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

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

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

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 funders where the asset acquired or created is held for a specific purpose.

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

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

The assumptions used are disclosed in note 24.

Critical areas of judgement

There are no other critical areas of judgement.

2 Donations and capital grants

| | Unrestricted funds £000 | Restricted funds £000 | 2021/22 Total £000 | 2020/21 Total £000 |
|----------------------|-------------------------------|-----------------------------|--------------------------|--------------------------|
| Capital grants | - | 7,453 | 7,453 | 2,649 |
| Donated fixed assets | - | - | - | 403 |
| Other donations | 101 | - | 101 | 76 |
| | <u>101</u> | <u>7,453</u> | <u>7,554</u> | <u>3,128</u> |
| <i>Total 2021</i> | <i>76</i> | <i>3,052</i> | <i>3,128</i> | |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

3 Funding for the Trust's educational operations

| | Unrestricted funds £000 | Restricted funds £000 | 2021/22 Total £000 | 2020/21 Total £000 |
|---|-------------------------------|-----------------------------|--------------------------|--------------------------|
| DfE / ESFA grants | | | | |
| General Annual Grant (GAG) | - | 54,208 | 54,208 | 44,834 |
| Pupil Premium | - | 4,318 | 4,318 | 3,631 |
| Start Up Grants | - | 25 | 25 | 165 |
| UIFSM | - | 1,315 | 1,315 | 1,321 |
| Rates reclaim | - | 225 | 225 | 193 |
| PE and sports grant | - | 587 | 587 | 557 |
| Teachers' pay grant | - | 4 | 4 | 507 |
| Teachers' pension grant | - | 10 | 10 | 1,441 |
| Other DfE grants | - | 1,122 | 1,122 | 386 |
| | - | 61,814 | 61,814 | 53,035 |
| Other government grants | | | | |
| Local authority grants | - | 2,313 | 2,313 | 1,608 |
| Other government grants | - | 10 | 10 | - |
| | - | 2,323 | 2,323 | 1,608 |
| COVID-19 additional funding (DfE/ESFA) | | | | |
| Catch-up premium | - | 465 | 465 | 868 |
| COVID-19 additional funding (non-DfE/ESFA) | | | | |
| Other Coronavirus funding | - | 22 | 22 | 93 |
| | - | 64,624 | 64,624 | 55,604 |
| <i>Total 2021</i> | - | 55,604 | 55,604 | |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

4 Other trading activities

| | Unrestricted funds £000 | Restricted funds £000 | 2021/22 Total £000 | 2020/21 Total £000 |
|----------------------|-------------------------------|-----------------------------|--------------------------|--------------------------|
| Hire of facilities | 267 | - | 267 | 130 |
| Catering income | - | 596 | 596 | 270 |
| Shop income | - | 23 | 23 | 21 |
| Trip income | - | 420 | 420 | 74 |
| Club income | 778 | - | 778 | 387 |
| Consultancy income | 89 | - | 89 | 50 |
| Music income | 63 | - | 63 | 28 |
| Other trading income | 549 | - | 549 | 459 |
| | <u>1,746</u> | <u>1,039</u> | <u>2,785</u> | <u>1,419</u> |
| <i>Total 2021</i> | <u>1,054</u> | <u>365</u> | <u>1,419</u> | |

5 Investment income

| | Unrestricted funds £000 | Restricted funds £000 | 2021/22 Total £000 | 2020/21 Total £000 |
|---------------------|-------------------------------|-----------------------------|--------------------------|--------------------------|
| Short term deposits | 11 | - | 11 | 2 |
| | <u>2</u> | <u>-</u> | <u>2</u> | |
| <i>Total 2021</i> | <u>2</u> | <u>-</u> | <u>2</u> | |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

6 Expenditure

| | Staff costs £000 | Non Pay Expenditure | | Total 2021/22 £000 | Total 2020/21 £000 |
|-----------------------------------|---------------------|---------------------|---------------|--------------------------|--------------------------|
| | | Premises £000 | Other £000 | | |
| Academy's educational operations: | | | | | |
| Direct costs | 45,499 | - | 4,028 | 49,527 | 41,760 |
| Allocated support costs | 16,339 | 3,452 | 7,067 | 26,858 | 21,244 |
| | 61,838 | 3,452 | 11,095 | 76,385 | 63,004 |
| <i>Total 2021</i> | <i>52,359</i> | <i>2,616</i> | <i>8,029</i> | <i>63,004</i> | |

Net income/(expenditure) for the period includes:

| | 2021/22 £000 | 2020/21 £000 |
|------------------------------|-----------------|-----------------|
| Operating lease rentals | 129 | 118 |
| Depreciation | 2,543 | 2,050 |
| Fees payable to auditor for: | | |
| Audit | 55 | 59 |
| Other services | 11 | 7 |

Included within expenditure are the following transactions:

| | Total £000 | Individual items above £5,000 | |
|-------------------------|---------------|-------------------------------|--------|
| | | Amount £000 | Reason |
| Compensation payments | 2 | - | - |
| Gifts made by the Trust | 1 | - | - |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

7 Charitable activities

| | 2021/22 | 2020/21 |
|--|---------------|---------------|
| | Total | Total |
| | £000 | £000 |
| Direct costs – educational operations | 49,527 | 41,760 |
| Support costs – educational operations | 26,858 | 21,244 |
| | <u>76,385</u> | <u>63,004</u> |

Analysis of support costs:

| | Educational operations | 2021/22 | 2020/21 |
|--------------------------|---------------------------|---------------|---------------|
| | £000 | Total | Total |
| | £000 | £000 | £000 |
| Support staff costs | 16,339 | 16,339 | 13,080 |
| Depreciation | 2,543 | 2,543 | 2,050 |
| Technology costs | 536 | 536 | 549 |
| Premises costs | 3,452 | 3,452 | 2,616 |
| Legal costs - conversion | 3 | 3 | 52 |
| Legal costs - other | 12 | 12 | 5 |
| Other support costs | 3,854 | 3,854 | 2,799 |
| Governance costs | 119 | 119 | 93 |
| Total support costs | <u>26,858</u> | <u>26,858</u> | <u>21,244</u> |
| <i>Total 2021</i> | <u>21,244</u> | <u>21,244</u> | |

Premises costs includes £309k (2021: £162k) in respect of expenditure on capital projects, which were funded by capital grants from the ESFA.

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

8 Staff

a) Staff costs

Staff costs during the period were:

| | 2021/22 | 2020/21 |
|---------------------------|---------|---------|
| | £000 | £000 |
| Wages and salaries | 41,344 | 35,997 |
| Social security costs | 3,902 | 3,305 |
| Pension costs | 15,390 | 12,209 |
| | <hr/> | <hr/> |
| | 60,636 | 51,511 |
| Agency staff costs | 1,143 | 703 |
| Staff restructuring costs | 59 | 145 |
| | <hr/> | <hr/> |
| | 61,838 | 52,359 |

Staff restructuring costs comprise:

| | | |
|---------------------|-------|-------|
| Redundancy payments | 23 | 11 |
| Severance payments | 36 | 134 |
| | <hr/> | <hr/> |
| | 59 | 145 |

b) Severance payments

The Trust paid five severance payments in the year, disclosed in the following bands:

| | |
|--------------|---------|
| | No. |
| £0 - £25,000 | <hr/> 5 |

c) Special staff severance payments

Included in staff restructuring costs are special staff severance payments totalling £36k (2021: £134k). Individually, the payments were: £15,000, £10,220, £5,000, £4,656, and £1,340.

d) Staff numbers

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

| | 2021/22 | 2020/21 |
|----------------------------|---------|---------|
| | No. | No. |
| Teachers | 564 | 533 |
| Administration and support | 1,176 | 1,091 |
| Management | 100 | 95 |
| | <hr/> | <hr/> |
| | 1,840 | 1,719 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

e) Higher paid staff

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

| | 2021/22 | 2020/21 |
|---------------------|---------|---------|
| | No. | No. |
| £60,001 - £70,000 | 21 | 13 |
| £70,001 - £80,000 | 12 | 11 |
| £80,001 - £90,000 | 5 | 6 |
| £90,001 - £100,000 | 6 | 2 |
| £100,001 - £110,000 | 1 | - |
| £120,001 - £130,000 | - | 2 |
| £130,001 - £140,000 | 1 | - |
| £140,001 - £150,000 | - | 1 |
| £150,001 - £160,000 | 1 | - |
| £170,001 - £180,000 | 1 | - |

f) Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,112k (2021: £521k).

9 Related Party Transactions – Trustees' remuneration and expenses

During the period ended 31 August 2022, no Trustees received any remuneration or other benefits (2021: none).

During the period ended 31 August 2022, travelling expenses totalling £1,276 were reimbursed or paid directly to five Trustees (2021: £208 to two Trustees).

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

10 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 £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

11 Central Services

The Trust has provided the following central services to its academies during the year:

- Standards
- Human resources services
- Financial and 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 a flat percentage of GAG income (5% for secondary schools and 5.5% for all other schools).

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

11 Central Services (continued)

The actual amounts charged during the year were as follows:

| | 2021/22 | 2020/21 |
|--|--------------|--------------|
| | £000 | £000 |
| Bearwood Primary & Nursery School | 48 | 43 |
| Beechwood Junior School | 92 | 87 |
| Beechwood Teaching School | - | 2 |
| Bishop Aldhelm's C of E Primary School | 139 | 123 |
| Gatcombe Park Primary School | 51 | 48 |
| Glenfield Infant School | 66 | 63 |
| Hamwic SCITT | - | 2 |
| Hamworthy Park Junior School | 107 | 99 |
| Harefield Primary School | 103 | 94 |
| Henbury View First School | 35 | 33 |
| Hillbourne Primary School | 23 | - |
| Hollybrook Infant School | 44 | 41 |
| Hollybrook Junior School | 56 | 50 |
| Livingstone Road Infant School | 61 | 54 |
| Livingstone Road Junior School | 60 | 58 |
| Ludlow Infant Academy | 64 | 61 |
| Lytchett Matravers Primary School | 99 | 90 |
| Shirley Infant School | 63 | 59 |
| Shirley Junior School | 83 | 74 |
| Sholing Infant School | 63 | 59 |
| Sholing Junior School | 83 | 79 |
| Southampton Hospital School | 30 | 30 |
| Springdale First School | 68 | 61 |
| Talbot Primary School | 135 | 123 |
| Thornhill Primary School | 108 | 102 |
| Townhill Infant School | 53 | 56 |
| Twin Sails Infant & Nursery School | 77 | 66 |
| Upper Shirley High School | 286 | 253 |
| Upton Infant School | 59 | 56 |
| Upton Junior School | 84 | 77 |
| Weston Park Primary School | 122 | 122 |
| Weston Secondary School | 208 | - |
| Weston Shore Infant School | 30 | 26 |
| Westover Primary School | 62 | 68 |
| Wimborne First School and Nursery | 69 | 23 |
| Woolston Infant School | 47 | 20 |
| Wordsworth Primary School | 152 | 144 |
| | 2,930 | 2,446 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

12 Tangible fixed assets

| | Freehold Land and Buildings £000 | Leasehold Land and Buildings £000 | Assets Under Construction £000 | Furniture and Equipment £000 | Computer Equipment £000 | Motor Vehicles £000 | Total £000 |
|------------------------|---|--|--------------------------------------|------------------------------------|-------------------------------|---------------------------|----------------|
| Cost | | | | | | | |
| At 1 September 2021 | 34,250 | 104,726 | 996 | 594 | 1,428 | 7 | 142,001 |
| On conversion | 13,300 | 10,600 | - | - | - | - | 23,900 |
| Acquisitions | 76 | 316 | 2,341 | 328 | 291 | 24 | 3,376 |
| Reclassifications | 203 | 264 | (467) | - | - | - | - |
| At 31 August 2022 | 47,829 | 115,906 | 2,870 | 922 | 1,719 | 31 | 169,277 |
| Depreciation | | | | | | | |
| At 1 September 2021 | 1,698 | 4,454 | - | 278 | 684 | 7 | 7,121 |
| Charged in year | 669 | 1,505 | - | 122 | 245 | 2 | 2,543 |
| At 31 August 2022 | 2,367 | 5,959 | - | 400 | 929 | 9 | 9,664 |
| Net book values | | | | | | | |
| At 31 August 2021 | 32,552 | 100,272 | 996 | 316 | 744 | - | 134,880 |
| At 31 August 2022 | 45,462 | 109,947 | 2,870 | 522 | 790 | 22 | 159,613 |

In addition to the land and buildings disclosed above, the Trust has also entered into a supplementary agreement with a notice period of two years with the Diocese of Salisbury who are the legal owners of the land and buildings of Bishop Aldhelm's C of E Primary School. These land and buildings were valued by an unconnected firm of chartered surveyors on the 3 August 2017 at £6,000k.

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

13 Debtors

| | 2021/22 | 2020/21 |
|--------------------------------|--------------|--------------|
| | £000 | £000 |
| Trade debtors | 65 | 40 |
| VAT recoverable | 500 | 435 |
| Other debtors | 5,544 | 1,350 |
| Prepayments and accrued income | 775 | 793 |
| | 6,884 | 2,618 |

14 Creditors: amounts falling due within one year

| | 2021/22 | 2020/21 |
|---|--------------|--------------|
| | £000 | £000 |
| Trade creditors | 1,741 | 1,114 |
| Other taxation and social security | 875 | 783 |
| Other creditors falling due within one year | 41 | 1,509 |
| Accruals and deferred income | 3,211 | 2,006 |
| | 5,868 | 5,412 |

| | 2021/22 | 2020/21 |
|-------------------------------------|--------------|--------------|
| | £000 | £000 |
| Deferred income at 1 September 2021 | 1,159 | 1,249 |
| Released from previous years | (1,159) | (1,249) |
| Resources deferred in the year | 1,264 | 1,159 |
| Deferred income at 31 August 2022 | 1,264 | 1,159 |

Deferred income represents amounts received for Universal Infant Free School Meals, Special Educational Needs, trip income, and other grants which are in respect of the forthcoming year.

Included in accruals is a Salix loan of £6k (2021: £8k).

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

15 Funds

| | Balance at 1 September 2021 £000 | Income £000 | Expenditure £000 | Transfers £000 | Gains and losses £000 | Balance at 31 August 2022 £000 |
|-------------------------------------|---|----------------|---------------------|-------------------|-----------------------------|---|
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 54,208 | (55,320) | 1,112 | - | - |
| Pupil premium | - | 4,318 | (4,318) | - | - | - |
| Start Up Grants | - | 25 | (25) | - | - | - |
| UIFSM | - | 1,315 | (1,315) | - | - | - |
| Rates reclaim | - | 225 | (225) | - | - | - |
| PE and sports grant | - | 587 | (587) | - | - | - |
| Teachers' pay grant | - | 4 | (4) | - | - | - |
| Teachers' pension grant | - | 10 | (10) | - | - | - |
| Other DfE grants | - | 1,122 | (1,122) | - | - | - |
| Local authority grants | - | 2,313 | (2,313) | - | - | - |
| Other government grants | - | 10 | (10) | - | - | - |
| Catch-up premium | - | 465 | (465) | - | - | - |
| Other Coronavirus funding | - | 22 | (22) | - | - | - |
| Other educational activities | - | 1,039 | (1,039) | - | - | - |
| | - | 65,663 | (66,775) | 1,112 | - | - |
| Pension reserve | (40,757) | (2,244) | (6,758) | - | 40,052 | (9,707) |
| | (40,757) | 63,419 | (73,533) | 1,112 | 40,052 | (9,707) |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 134,880 | 23,900 | (2,543) | 3,376 | - | 159,613 |
| ESFA capital grants (SCA/DFC) | 3,641 | 2,259 | (309) | (1,947) | - | 3,644 |
| DfE capital grants (WSS) | 33 | 2,605 | - | (590) | - | 2,048 |
| LA capital grants | 20 | 2,589 | - | (342) | - | 2,267 |
| | 138,574 | 31,353 | (2,852) | 497 | - | 167,572 |
| Total restricted funds | 97,817 | 94,772 | (76,385) | 1,609 | 40,052 | 157,865 |
| Total unrestricted funds | 5,819 | 1,984 | - | (1,609) | - | 6,194 |
| Total funds | 103,636 | 96,756 | (76,385) | - | 40,052 | 164,059 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

15 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 Trust. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

Start up grant

This is funding received from the DfE to cover expenses associated with conversion to academy status.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

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 Trust on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academies 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, including School Condition Allocation

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

Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

15 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

| | 2021/22 | 2020/21 |
|---|--------------|--------------|
| | £000 | £000 |
| Bearwood Primary & Nursery School | 77 | 43 |
| Beechwood Junior School | 2 | (37) |
| Bishop Aldhelm's C of E Primary School | 257 | 181 |
| Gatcombe Park Primary School | 28 | 51 |
| Glenfield Infant School | 32 | 56 |
| Hamwic SCITT | 21 | 26 |
| Hamworthy Park Junior School | 108 | 56 |
| Harefield Primary School | 341 | 466 |
| Henbury View First School | 24 | 20 |
| Hillbourne Primary School | 113 | - |
| Hollybrook Infant School | 92 | 95 |
| Hollybrook Junior School | (56) | (38) |
| Livingstone Road Infant School | 8 | 55 |
| Livingstone Road Junior School | 67 | 125 |
| Ludlow Infant Academy | 65 | 4 |
| Lytchett Matravers Primary School | 111 | 94 |
| Shirley Infant School | 232 | 276 |
| Shirley Junior School | 91 | 108 |
| Sholing Infant School | 106 | 116 |
| Sholing Junior School | 220 | 274 |
| Southampton Hospital School | 244 | 264 |
| Springdale First School | 64 | 72 |
| Talbot Primary School | 213 | 182 |
| Thornhill Primary School | 157 | 283 |
| Townhill Infant School | 123 | 114 |
| Twin Sails Infant & Nursery School | 109 | 108 |
| Upper Shirley High School | 749 | 731 |
| Upton Infant School | 108 | 98 |
| Upton Junior School | 33 | 77 |
| Weston Park Primary School | 234 | 246 |
| Weston Secondary School | 300 | - |
| Weston Shore Infant School | 90 | 48 |
| Westover Primary School | 193 | 111 |
| Wimborne First School and Nursery | 201 | 136 |
| Woolston Infant School | 108 | 150 |
| Wordsworth Primary School | 512 | 508 |
| Central services | 817 | 720 |
| Total before fixed assets and pension reserve | 6,194 | 5,819 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

15 Funds (continued)

| | 2021/22 | 2020/21 |
|---|----------------|----------------|
| | £000 | £000 |
| Total before fixed assets and pension reserve | 6,194 | 5,819 |
| Restricted fixed asset fund | 167,572 | 138,574 |
| Pension reserve | (9,707) | (40,757) |
| Total | 164,059 | 103,636 |

The following academy is carrying a net deficit on its portion of the funds as follows:

| | £000 |
|--------------------------|-----------|
| Hollybrook Junior School | <u>56</u> |

The Trust is taking the following action to return the academy to surplus:

- Hollybrook Junior School is in a deficit position due to the historic investment required to facilitate school improvement during a period of low pupil numbers. The school has developed a medium term budget that returns to a surplus position over the next 36 months.

Total cost analysis by academy

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

| | Teaching and Educational Support Staff Costs £000 | Other Support Staff Costs £000 | Educational Supplies £000 | Other Costs (excl. dep- reciation) £000 | 2021/22 Total £000 | 2020/21 Total £000 |
|--------------------------------|---|--|---------------------------------|--|--------------------------|--------------------------|
| Bearwood Primary School | 721 | 267 | 71 | 109 | 1,168 | 1,061 |
| Beechwood Junior School | 1,392 | 348 | 192 | 216 | 2,148 | 2,084 |
| Beechwood Teaching School | - | - | - | - | - | 52 |
| Bishop Aldhelm's Primary | 2,233 | 571 | 183 | 274 | 3,261 | 2,977 |
| Gatcombe Park Primary | 779 | 225 | 100 | 123 | 1,227 | 1,152 |
| Glenfield Infant School | 1,002 | 324 | 76 | 174 | 1,576 | 1,423 |
| Hamworthy Park Junior | 1,657 | 396 | 98 | 227 | 2,378 | 2,268 |
| Harefield Primary School | 1,655 | 532 | 178 | 287 | 2,652 | 2,300 |
| Henbury View First School | 555 | 135 | 33 | 88 | 811 | 766 |
| Hillbourne Primary School | 368 | 92 | 35 | 80 | 575 | - |
| Hollybrook Infant School | 617 | 220 | 42 | 151 | 1,030 | 979 |
| Hollybrook Junior School | 801 | 321 | 76 | 216 | 1,414 | 1,167 |
| Livingstone Road Infant | 890 | 300 | 88 | 185 | 1,463 | 1,276 |
| Livingstone Road Junior | 871 | 309 | 96 | 207 | 1,483 | 1,309 |
| Ludlow Infant Academy | 1,023 | 290 | 55 | 169 | 1,537 | 1,493 |
| Lytchett Matravers Primary | 1,501 | 293 | 96 | 207 | 2,097 | 1,882 |
| Balance carried forward | 16,065 | 4,623 | 1,419 | 2,713 | 24,820 | 22,189 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

15 Funds (continued)

Total cost analysis by academy (continued)

| | Teaching and Educational Support Staff Costs £000 | Other Support Staff Costs £000 | Educational Supplies £000 | Other Costs (excl. dep- reciation) £000 | 2021/22 Total £000 | 2020/21 Total £000 |
|-----------------------------|---|--|---------------------------------|--|--------------------------|--------------------------|
| Balance brought forward | 16,065 | 4,623 | 1,419 | 2,713 | 24,820 | 22,189 |
| Hamwic SCITT | 34 | 24 | 34 | 8 | 100 | 99 |
| Shirley Infant School | 971 | 237 | 64 | 168 | 1,440 | 1,232 |
| Shirley Junior School | 1,260 | 239 | 144 | 177 | 1,820 | 1,636 |
| Sholing Infant School | 958 | 273 | 89 | 176 | 1,496 | 1,440 |
| Sholing Junior School | 1,287 | 341 | 191 | 203 | 2,022 | 1,845 |
| Southampton Hospital School | 659 | 79 | 21 | 24 | 783 | 691 |
| Springdale First School | 1,007 | 282 | 46 | 183 | 1,518 | 1,360 |
| Talbot Primary School | 2,137 | 500 | 163 | 343 | 3,143 | 2,879 |
| Thornhill Primary School | 1,835 | 358 | 160 | 311 | 2,664 | 2,379 |
| Townhill Infant School | 889 | 257 | 54 | 132 | 1,332 | 1,357 |
| Twin Sails Infant School | 1,411 | 386 | 50 | 206 | 2,053 | 1,790 |
| Upper Shirley High School | 4,098 | 1,499 | 372 | 742 | 6,711 | 5,946 |
| Upton Infant School | 958 | 275 | 55 | 118 | 1,406 | 1,347 |
| Upton Junior School | 1,285 | 265 | 145 | 135 | 1,830 | 1,777 |
| Weston Park Primary School | 1,995 | 464 | 159 | 302 | 2,920 | 2,811 |
| Weston Secondary School | 3,016 | 902 | 280 | 409 | 4,607 | - |
| Weston Shore Infant School | 432 | 157 | 39 | 103 | 731 | 665 |
| Westover Primary School | 864 | 219 | 105 | 141 | 1,329 | 1,414 |
| Wimborne First School | 1,209 | 344 | 88 | 229 | 1,870 | 581 |
| Woolston Infant School | 757 | 244 | 57 | 150 | 1,208 | 478 |
| Wordsworth Primary School | 2,346 | 454 | 239 | 436 | 3,475 | 3,233 |
| Central services | 26 | 3,917 | 56 | 565 | 4,564 | 3,805 |
| | 45,499 | 16,339 | 4,030 | 7,974 | 73,842 | 60,954 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

15 Funds (continued)

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

| | Balance at 1 September 2020 £000 | Income £000 | Expenditure £000 | Transfers £000 | Gains and losses £000 | Balance at 31 August 2021 £000 |
|-------------------------------------|---|----------------|---------------------|-------------------|-----------------------------|---|
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 44,834 | (44,957) | 123 | - | - |
| Pupil premium | - | 3,631 | (3,631) | - | - | - |
| Start Up Grants | - | 165 | (165) | - | - | - |
| UIFSM | - | 1,321 | (1,321) | - | - | - |
| Rates reclaim | - | 193 | (193) | - | - | - |
| PE and sports grant | - | 557 | (557) | - | - | - |
| Teachers' pay grant | - | 507 | (507) | - | - | - |
| Teachers' pension grant | - | 1,441 | (1,441) | - | - | - |
| Other DfE grants | - | 343 | (343) | - | - | - |
| Teaching School Grants | - | 43 | (49) | 6 | - | - |
| Local authority grants | - | 1,608 | (1,608) | - | - | - |
| Catch-up premium | - | 868 | (868) | - | - | - |
| Other Coronavirus funding | - | 93 | (93) | - | - | - |
| Other educational activities | - | 365 | (365) | - | - | - |
| | - | 55,969 | (56,098) | 129 | - | - |
| Pension reserve | (32,525) | (1,215) | (4,691) | - | (2,326) | (40,757) |
| | (32,525) | 54,754 | (60,789) | 129 | (2,326) | (40,757) |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 120,333 | 13,116 | (2,050) | 3,481 | - | 134,880 |
| ESFA capital grants (SCA/DFC) | 3,810 | 2,525 | (162) | (2,532) | - | 3,641 |
| Other capital grants | 72 | 124 | - | (143) | - | 53 |
| Donated fixed assets | - | 403 | - | (403) | - | - |
| | 124,215 | 16,168 | (2,212) | 403 | - | 138,574 |
| Total restricted funds | 91,690 | 70,922 | (63,001) | 532 | (2,326) | 97,817 |
| Total unrestricted funds | 4,954 | 1,400 | (3) | (532) | - | 5,819 |
| Total funds | 96,644 | 72,322 | (63,004) | - | (2,326) | 103,636 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

16 Analysis of net assets between funds

| | Un-restricted funds £000 | Restricted general funds £000 | Restricted pension funds £000 | Restricted fixed asset funds £000 | Total funds £000 |
|--------------------------|-----------------------------|----------------------------------|----------------------------------|--------------------------------------|---------------------|
| Tangible fixed assets | - | - | - | 159,613 | 159,613 |
| Current assets | 6,194 | 5,868 | - | 7,959 | 20,021 |
| Current liabilities | - | (5,868) | - | - | (5,868) |
| Pension scheme liability | - | - | (9,707) | - | (9,707) |
| Total net assets | 6,194 | - | (9,707) | 167,572 | 164,059 |

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

| | Un-restricted funds £000 | Restricted general funds £000 | Restricted pension funds £000 | Restricted fixed asset funds £000 | Total funds £000 |
|--------------------------|-----------------------------|----------------------------------|----------------------------------|--------------------------------------|---------------------|
| Tangible fixed assets | - | - | - | 134,880 | 134,880 |
| Current assets | 5,819 | 5,412 | - | 3,694 | 14,925 |
| Current liabilities | - | (5,412) | - | - | (5,412) |
| Pension scheme liability | - | - | (40,757) | - | (40,757) |
| Total net assets | 5,819 | - | (40,757) | 138,574 | 103,636 |

17 Capital commitments

| | 2021/22 £000 | 2020/21 £000 |
|--|-----------------|-----------------|
| Contracted for, but not provided in the financial statements | 5,281 | 1,037 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

18 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2021/22 | 2020/21 |
|--|------------|------------|
| | £000 | £000 |
| Amounts due within one year | 51 | 69 |
| Amounts due between one and five years | 64 | 84 |
| | <u>115</u> | <u>153</u> |

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

| | 2021/22 | 2020/21 |
|--|----------------|--------------|
| | £000 | £000 |
| Net income for the reporting period | 20,371 | 9,318 |
| Adjusted for: | | |
| Depreciation | 2,543 | 2,050 |
| Capital grants from DfE and other capital income | (7,453) | (3,052) |
| Interest receivable | (11) | (2) |
| Defined benefit pension scheme cost less contributions payable | 6,060 | 4,158 |
| Defined benefit pension scheme finance cost | 698 | 533 |
| Transfer from local authority on conversion | (21,782) | (12,169) |
| Cash transferred on conversion | 126 | 268 |
| Increase in debtors | (4,266) | (209) |
| Increase in creditors | 456 | 1,336 |
| Net cash (used in) / provided by Operating Activities | <u>(3,258)</u> | <u>2,231</u> |

20 Cash flows from investing activities

| | 2021/22 | 2020/21 |
|---|--------------|--------------|
| | £000 | £000 |
| Dividends, interest and rents from investments | 11 | 2 |
| Purchase of tangible fixed assets | (3,376) | (3,078) |
| Capital grants from DfE Group | 4,864 | 2,525 |
| Capital funding received from sponsors and others | 2,589 | 124 |
| Net cash provided by / (used in) investing activities | <u>4,088</u> | <u>(427)</u> |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

21 Analysis of cash and cash equivalents

| | 2021/22 | 2020/21 |
|--------------------------|---------------|---------------|
| | £000 | £000 |
| Cash at bank and in hand | <u>13,137</u> | <u>12,307</u> |

22 Analysis of changes in net debt

| | At 1 September 2021 £000 | Cash flows £000 | Acquisition/ disposal of subsidiaries £000 | New finance leases £000 | Other non-cash changes £000 | At 31 August 2022 £000 |
|--------------|-----------------------------------|-----------------------|---|----------------------------------|--------------------------------------|---------------------------------|
| Cash | 12,307 | 830 | - | - | - | 13,137 |
| Total | 12,307 | 830 | - | - | - | 13,137 |

23 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.

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

24 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £nil were payable to the schemes at 31 August 2022 (2021: £1,468k) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £5,406k (2021: £4,778k).

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

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

24 Pension and similar obligations (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was as follows:

| | 2022 | 2021 |
|--------------------------|--------------|-------------|
| | £000 | £000 |
| Employer's contributions | 3,152 | 2,653 |
| Employees' contributions | 950 | 811 |
| | 4,102 | 3,464 |

The agreed contribution rates for future years are 18.9% to 22.0% for employers and 5.5% to 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 an academy trust 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

| | Dorset County | | Hampshire | |
|--|----------------------|-------------|---------------------|-------------|
| | Pension Fund | | Pension Fund | |
| | 2022 | 2021 | 2022 | 2021 |
| Rate of increase in salaries | 3.95% | 3.90% | 3.70% | 3.60% |
| Rate of increase for pensions in payment/inflation | 2.95% | 2.90% | 2.70% | 2.60% |
| Discount rate for scheme liabilities | 4.25% | 1.65% | 4.10% | 1.70% |
| Inflation assumption (CPI) | 2.95% | 2.90% | 2.70% | 2.60% |

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

| | Dorset County | | Hampshire | |
|-----------------------------|----------------------|-------------|---------------------|-------------|
| | Pension Fund | | Pension Fund | |
| | 2022 | 2021 | 2022 | 2021 |
| <i>Retiring today</i> | | | | |
| Males | 22.1 | 23.1 | 22.9 | 23.1 |
| Females | 24.2 | 24.6 | 25.4 | 25.5 |
| <i>Retiring in 20 years</i> | | | | |
| Males | 23.4 | 24.4 | 24.7 | 24.8 |
| Females | 25.6 | 26.1 | 27.1 | 27.3 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

24 Pension and similar obligations (continued)

Sensitivity analysis

| | Increase/(reduction) in defined benefit obligation | |
|--|---|---------|
| | 2022 | 2021 |
| | £000 | £000 |
| Discount rate +0.1% | (1,333) | (2,061) |
| Discount rate -0.1% | 1,379 | 2,131 |
| Mortality assumption – 1 year increase | 1,466 | 3,066 |
| Mortality assumption – 1 year decrease | (1,450) | (2,969) |

The Trust's share of the assets in the scheme were:

| | 2022 | 2021 |
|------------------------------|--------|--------|
| | £000 | £000 |
| Equities | 24,204 | 22,549 |
| Gilts | 5,940 | 6,333 |
| Corporate bonds | 590 | 655 |
| Property | 3,653 | 2,700 |
| Cash and other liquid assets | 466 | 410 |
| Other | 7,829 | 6,925 |
| Total market value of assets | 42,682 | 39,572 |

The actual return on scheme assets was -£2,468k (2021: £5,989k).

Amount recognised in the Statement of Financial Activities

| | 2021/22 | 2020/21 |
|-------------------------------------|---------|---------|
| | £000 | £000 |
| Current service cost | 9,201 | 6,811 |
| Past service cost | 11 | - |
| Interest income | (720) | (518) |
| Interest cost | 1,418 | 1,051 |
| Total amount recognised in the SOFA | 9,910 | 7,344 |

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

24 Pension and similar obligations (continued)

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

| | 2021/22 | 2020/21 |
|-------------------------|---------------|---------|
| | £000 | £000 |
| At 1 September | 80,329 | 62,168 |
| Conversion of academies | 4,503 | 2,214 |
| Current service cost | 9,201 | 6,811 |
| Interest cost | 1,418 | 1,051 |
| Employee contributions | 950 | 811 |
| Actuarial (gain) / loss | (43,240) | 7,797 |
| Benefits paid | (783) | (523) |
| Past service cost | 11 | - |
| At 31 August | 52,389 | 80,329 |

Changes in the fair value of Trust's share of scheme assets:

| | 2021/22 | 2020/21 |
|-------------------------|---------------|---------|
| | £000 | £000 |
| At 1 September | 39,572 | 29,643 |
| Conversion of academies | 2,259 | 999 |
| Interest income | 720 | 518 |
| Actuarial (loss) / gain | (3,188) | 5,471 |
| Employer contributions | 3,152 | 2,653 |
| Employee contributions | 950 | 811 |
| Benefits paid | (783) | (523) |
| At 31 August | 42,682 | 39,572 |

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 9.

Hamwic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

26 Newly converted academies

On 1 September 2021 and 1 April 2022 respectively, Weston Secondary School and Hillbourne Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Trust from Southampton City Council and BCP Council for £nil consideration.

The transfers have 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 - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

Weston Secondary School:

| | Un-restricted funds £000 | Restricted general funds £000 | Restricted pension funds £000 | Restricted fixed asset funds £000 | Total funds £000 |
|-----------------------------------|-----------------------------|----------------------------------|----------------------------------|--------------------------------------|---------------------|
| Tangible fixed assets | | | | | |
| Freehold Land and Buildings | - | - | - | 13,300 | 13,300 |
| Current assets | | | | | |
| Cash - budget surplus on LA funds | 31 | - | - | - | 31 |
| Pension scheme liability | - | - | (1,602) | - | (1,602) |
| Net assets/(liabilities) | 31 | - | (1,602) | 13,300 | 11,729 |

Hillbourne Primary School:

| | Un-restricted funds £000 | Restricted general funds £000 | Restricted pension funds £000 | Restricted fixed asset funds £000 | Total funds £000 |
|-----------------------------------|-----------------------------|----------------------------------|----------------------------------|--------------------------------------|---------------------|
| Tangible fixed assets | | | | | |
| Leasehold Land and Buildings | - | - | - | 10,600 | 10,600 |
| Current assets | | | | | |
| Cash - budget surplus on LA funds | 95 | - | - | - | 95 |
| Pension scheme liability | - | - | (642) | - | (642) |
| Net assets/(liabilities) | 95 | - | (642) | 10,600 | 10,053 |
| Totals | 126 | - | (2,244) | 23,900 | 21,782 |