

HAMMERSMITH



Hammersmith Academy Trust

**Annual Report and Financial
Statements**

31 August 2021

Company Limited by Guarantee
Registration Number 6397195
(England and Wales)

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Reference and administrative details

Members

The Mercers' Company
The Worshipful Company of Information
Technologists

Trustees

T Hartley (Chair)
N Aston
N Birtles
S Block
R Cassell
S Culhane
A Ellams
E Harrison
R Hooper
P Lane
K Langton
A Patel
S Patel
J Rangaswami (resigned 21.03.21)
K Sandford (appointed 23.09.20)
C Van Oijen
M Winslow (appointed 26.06.21)

Company Secretary

S George (resigned 31.08.21)

Senior Management Team:

Headteacher

G Kynaston

Associate Headteacher

J Lisseman

Director of Finance and Resources

S George (resigned 31.08.21)
D Olaley Finance consultant (Sept 21-Nov 21)

Registered office

Hammersmith Academy
25 Cathnor Road
London
W12 9JD

Company registration number

6397195 (England and Wales)

Auditors

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Reference and administrative details

Bankers

Natwest plc
1 Princes' Street
London
EC3P 3AR

Solicitors

Stone King
13 Queen Square
Bath
BA1 2HJ

Investment Managers

James Hambro
45 Pall Mall
St James
London
SW1Y 5JG

Trustees' report

31 August 2021

The trustees of Hammersmith Academy Trust ('the Trust') present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates a secondary school ('the Academy') for pupils aged 11 to 18, serving an admissions priority area in West London. The Academy has four forms of entry and includes a sixth form. It is oversubscribed, with a roll of 958 as recorded in the October 2021 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and principal activities

The Trust is a company limited by guarantee which was incorporated on 11 October 2007. The Trust is also an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The trustees of Hammersmith Academy Trust Limited are also directors of the charitable company for the purposes of company law. The charitable company is known as Hammersmith Academy Trust.

Details of the trustees who served during the year, and to the date that these accounts are approved, are included in the Reference and Administrative Details on page 1 of this document.

Members' liability

Each member of the Trust undertakes to contribute to the assets of the charitable company in the event of it being wound up during membership 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.

Method of recruitment and appointment or election of trustees

The trustees are the directors of the Trust for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. Trustees retire by rotation and are eligible for re-election. Trustees are appointed according to the body's specifications of the required skill sets. These include wisdom and a demonstrated commitment to the Academy approach. Trustees are selected by reference to their eligibility, personal competence and specialist skills.

Policies and procedures adopted for the induction and training of trustees

On appointment, trustees attend an induction program. During the year there are further training sessions and recommendations made about suitable courses for trustees to attend.

Organisational structure and relationships

The trustees are governors (collectively the 'Governing Body') of the Academy and are responsible for the overall management of the Academy. The detailed day to day running of the Academy has been delegated to the Headteacher who also acts as the accounting officer.

Arrangements for setting pay and remuneration of key management personnel

The Trust operates a pay committee, comprised of three governors who are appointed on an annual basis. This committee meets in the Autumn term and reviews the pay recommendations made by the Headteacher for all staff.

The Governing Body has appointed a School Improvement Partner, in which capacity he undertakes the performance management of the Headteacher. He makes recommendations to the governors, who use this information to determine the pay and remuneration of the Headteacher.

Trade union facility time

There were no relevant union officials employed by the Academy during the reporting period and thus no element of the pay bill was spent on union facility time.

Related parties and other connected charities and organisations

The Mercers' Company and the Worshipful Company of Information Technologists are sponsors of Hammersmith Academy Trust, and each organisation provides four members to serve as governors and trustees.

Hammersmith Academy is a member of the Mercers' Association of Schools and Colleges. Furthermore, through the Information Technologists' group of schools, the Academy has an ongoing relationship with Lilian Baylis Technology School.

OBJECTIVES AND ACTIVITIES**Objects and aims**

The Trust's objects are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing the Academy and offering a broad curriculum with a strong emphasis on, but in no way limited to, creative and digital media and information technology.

Vision

The Academy's vision is to develop highly qualified, aspirational young adults who make outstanding progress and as active citizens take a lead within the community and are committed to giving 100% in everything they do.

The Academy inspires pride and confidence in students to achieve their full potential. Everyone in the Academy is responsible for modelling a positive and professional attitude at all times. The aim is to create a stimulating and enriching learning environment where high expectations and challenge prepare students for a global society. This success is developed by a growth mind-set through the skills of resilience, resourcefulness, reflectiveness and reciprocity.

Hammersmith Academy learners are supported to demonstrate:

- pride and commitment;
- professionalism and leadership;
- community participation;
- honesty and reliability;
- respect and integrity; and
- confidence and independence.

Objectives, strategies and activities

The Academy's core objectives for the year were:

- Expert practitioners effectively challenge students at all levels and drive their own development to continually improve classroom practice.
- To ensure that all students are robustly assessed and the outcomes of assessment have a response in which all student needs are met in order to maximise progress.
- To provide a broad and balanced curriculum which matches the learners needs, aspirations and potential and fulfils our curriculum intent.
- To further develop our curriculum on-line in order to ensure a seamless transition to home-learning in the event of academy closure.
- To strategically develop teachers and parents' effective engagement with and delivery of the pastoral systems to improve students' motivation and learning.
- To reinforce the 4Rs (central to HAs teaching and learning principles) to support metacognition in students
- To provide clear leadership, governance and quality management to ensure all learners succeed.
- To develop and strengthen our existing collaborative partnerships in order to develop students social and moral character.

Public benefit

The Academy is independently governed but state-funded and free for students. The admissions policy is totally inclusive, and designed to ensure that the Academy is a local school for students from the full range of academic abilities.

This is achieved by requiring prospective students to sit a fair-banding test, on the basis of which they are placed in one of five bands. Then, within each band, students who live within the priority area are given places in order of their straight-line distance from the Academy, before any remaining places are offered to students outside the priority area, again using straight-line distance to rank applicants.

In setting the Academy's objectives and planning its activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit, and they confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit.

STRATEGIC REPORT

Achievements and performance

In August 2021, the Academy's fifth cohort of students received their GCSE grades, with 88.4% of all outcomes being at level 9-4 (2020: 78.1%) and 100% of our pupils attaining level 9-1 in at least 5 subjects (2020: 100%).

The Academy's A level results were in line with expectation, based on results over the previous seven years, with 60% A*-B grades and 86% A*-C grades. The Academy's A level results produced a value-added score of +0.66, which puts the Academy in the top 20% of all schools in the country for progress.

Overall the majority of the Academy's students have shown great progress over the academic year with scores well above the national average despite being a fair-banded cohort. There were some amazing results in English, matched by maths for 9-4 and continued improvements in strong passes in Maths and Science, as illustrated in the measures set out below. While there have been improvements across the board nationally, due to the impact of grades being awarded without actual exams, in most cases, the gap has widened positively with the Academy's performance well above national outcomes.

EBACC with grade 5 English and Maths: HA 42.5% v 19.3¹% national

EBACC with grade 4 English and Maths: HA 69.2 % v 27.7¹% national

English and Maths at grade 5: HA 73% v 49.9²% national

English and Maths at grade 4: HA 90% v 71.5¹% national

Attainment 8: HA 59.2 v 51.1² national

Attainment 8 is the total score in EM Double Sci. one from H/G/CSci/Langs and 3 others

Progress 8: +0.23 v 0.01 national

Progress 8 is the score per GCSE (in EM Double Sci. one from H/G/CSci/Langs and 3 others) that expected from KS2 SATS.

English Language 9-5: HA 86.3% v 61.5²% national

English Language 9-4: HA 95.2% v 80.2²% national

Maths at 9-5: HA 75.9% v 58.1²% national

Maths at 9-4: HA 91.0% v 77.2²% national

This year, due to the cancellation of GCSE exams, the government has not published all of the usual national statistics. Where there is no government-validated statistic available, we have been able to benchmark our outcomes against national data obtained from the SISRA Data Collaboration. This is a collaboration between all schools using the data-tracking tool SISRA, who opt to have their anonymised data used to calculate indicative national outcomes ahead of publication of the government's definitive national data. Where both SISRA and government statistics have been compared, there are less than 2 percentage points difference.

¹ SISRA statistic

² Government statistic

Response to COVID19

The academy reopened fully with significant Covid measures in place on 1st September 2020. A large variation in the academy timetable was required to ensure the integrity of year group 'bubbles' and the need to stagger the day to allow safe ingress and egress from the academy site. This meant variations in staff working with flexibility in use of PPA (planning, preparation and assessment) times. This meant staff could have different arrival and finishing times.

In line with the government's national lockdown policy, the Academy closed to the majority of students on 6th January 2021 and did not re-open fully until late March 2021. Our teaching staff adapted rapidly to delivering the curriculum to students remotely, making use of existing online learning materials honed during the autumn term and delivered a daily diet of 'live' taught lessons on Microsoft Teams. The Academy benefitted from already having most of the curriculum published for students and parents to access through our virtual learning environment, however, the ability to have direct daily contact using the TEAMS platform meant higher levels of engagement and completion of work set.

The Academy remained open to some vulnerable students throughout the lockdown period, however, with many able to access live lessons on line, it meant it was easier to maintain welfare checks and support when the child was at home. This helped to alleviate Covid fears around transmission during the challenging 'second wave'. and our year 10 and year 12 students returned to school for the final few weeks of the summer term. The Academy also ran a targeted summer school for those students most likely to have fallen behind with their learning.

During the Lockdown we supported our disadvantaged students in a number of ways. Whilst we were able to take advantage of the national free school meal voucher scheme and further funded vouchers locally in the extended periods not covered by the scheme. We also supported our most disadvantaged students by providing them with Chromebooks to ensure they could access online learning. No child was left without access options. We further provided Wifi access through the distribution of dongles and headsets to aid learning. We continued to work with the local food distribution charity, Felix Project, to host a food bank three times a week, which has proved vital to many of our students and their families.

The Academy continued to support its suppliers in line with the Cabinet Office's procurement policy note PPN 02/20. We did not furlough any of our own staff and nor was it necessary to furlough any of the staff employed through our outsourced services contracts.

The Academy has incurred a number of additional expenses in responding to the challenges of the pandemic. These include providing free school meal vouchers to families in food poverty and at the edge of the FSM threshold. Also, creating Lateral Flow Testing (LTF) stations and organising teams of responders to administer the processes at short notice. Further, implementing social distancing and other health and safety measures, staffing a summer school for pupils whose learning has been most significantly impacted, and investing in new software and IT consumables to support remote learning. However, there have also been savings from operating at reduced capacity for much of the year, which has resulted in the Academy reporting an operational surplus for the period.

In anticipation of full opening in September, the Academy worked with the unions to agree safe working practices, and we were fully staffed for the beginning of the Autumn term. The Academy has also been successful in reassuring our parent body of the reliability of the health and safety measures we have put in place to minimise the risk of COVID19 entering or being spread within the Academy. As a result, attendance in the new academic year has averaged 95%, which significantly exceeds national levels.

Key Performance Indicators

The Academy had 958 students on roll as of the census in October 2021 (941 in October 2020). The teacher to pupil ratio averaged 14.27 versus a budgeted ratio of 13.60. The percentage of income that was spent on staffing was 73%, compared to a budgeted figure of 78%.

The most recent inspection of the school by Ofsted took place in March 2017. Ofsted reaffirmed Hammersmith Academy as a good school with outstanding behaviour and safety of pupils. The inspectors affirmed the view that the Academy is a highly aspirational school that is providing a fantastic quality of education, 'irrespective of students starting points' and focusing on developing the whole child, both academically and socially, into fine leaders for the future. This was endorsed by our Challenge Partners review in March 2018 and the Hammersmith and Fulham Local Authority review of Jan 2020.

Ofsted and Challenge Partners commented on the warm, friendly and purposeful atmosphere around the Academy where students represented themselves well and showed a great maturity. They described the dedication and passion of both students and staff in the learning process and how both value the support they receive. Further, the positive views parents hold of the Academy were reflected in Ofsted's report, where one parent commented that it is clear that 'everyone feels inspired, everyone works hard and everyone cares about one another.'

Inspectors said that the Academy has 'established a culture of high aspirations for all' and that the 'leadership team and a committed governing body have created an inclusive and nurturing environment that values the learning needs of both pupils and staff.' They also commented that 'staff describe the school as a 'dynamic' and 'energising' place to work and 'pupils share this view' and 'are committed to pupils' academic, emotional and creative development.' Further, they said that 'pupils' behaviour around the academy and in lessons continues to be exemplary' and 'staff have created a culture of mutual respect, tolerance and pride.'

The characteristics have continued to be borne-out by the responses from parental and student surveys regarding the performance of the academy to meet their children's needs and overall satisfaction levels are extremely high for the quality of education delivered during a very challenging year.

Our belief in the holistic development of students is essential for their academic and personal development and preparation for life in a modern, global society. The unifying ethos of high aspirations and collective pride, means that pupils are keen to learn, work hard and value the opportunities they are given.

Ofsted pointed out that the, 'governors are proud of their popular and inclusive community school. They share your high aspirations for every pupil and are committed to equality of opportunity, irrespective of pupils' starting points.'

Going concern

Having reviewed the Academy's budgets for 2021/22 and 2022/23, the governing body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. The governors are satisfied that the 2021/22 budget includes adequate provision for anticipated COVID-related expenditure, as well as sufficient contingency for unknowns relating to the pandemic. Furthermore, the Academy is carrying a healthy level of reserves which should ensure that it remains a going concern in the event of a short-term operational loss. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note to the financial statements.

Financial review

Total income for the year was £8,021k (2020 £7,188k) and expenditure amounted to £8,630k (2020 £8,138k). The 11% increase in income from 19/20 was largely due to COVID related funding received during the year, the majority of which is not expected to continue this year. The expenditure for the year showed an increase mainly due to the interest charged on LGPS and investment fees. After including the unrealised gains from endowment investments and the FRS102 adjustments for the Local Government Pension scheme, there was a deficit for the year of £1,014k (2020 £1,264k deficit). However, this includes a depreciation charge of £1,131k and £692k actuarial gains on the defined benefit scheme.

The balance sheet liability in the Local Government Pension Scheme has increased to £3,346k from £2,378k in 2020. As a defined benefit pension scheme, exposure to the following key risks are inherent within the scheme:

- investment risk: volatility in asset classes such as equities
- interest rate risk: the impact on discount factors for future liability cashflows
- inflation risk: all benefits of the scheme are linked to inflation
- longevity risk: in the event that the members live longer an assumed deficit will emerge in the fund.

The primary reason for the increase in the liability is due to the actuarial assumptions used in the valuation.

Reserves policy

The trustees carry out an annual review of the Academy's reserves. Total reserves were £14,676k (2020: £15,691) of which the endowment fund was £1,329k (2020: £1,182k), restricted funds were £13,639k (2020: £14,854k), comprising the fixed asset fund of £14,745k (2020: £15,567k), the restricted income fund of £911k (2020: £483k) and the pension liability of £(3,346)k (2020: £(2,378)k) and unrestricted funds totalling £1,037k (2020: £837k).

The trustees' aim is to generate surplus reserves from unrestricted funding streams, to enable future capital works that may not be covered by ESFA monies.

However, as most income is received from the ESFA and the Local Authority, with restrictions on the amount that can be carried forward, it is difficult to build up reserves in line with other non-educational charities. It should also be noted that funds provided by the ESFA and the Local Authority are intended for use in the period in which they are received.

After 10 years of operations, the Academy has built up free reserves of £1,037k, primarily due to income from and gains realised on its endowment investments. The Academy has also accumulated a restricted general reserve surplus of £911k during this time.

Investment policy

The trustees have appointed James Hambro to manage the Academy's endowment investment portfolio. The return objective is an annual income of 3-4% with some capital growth. The risk chosen is a medium level of risk, sufficient to meet the return objectives, subject to achieving a prudent level of diversification across asset classes and geography wherever possible.

During the year ended 31 August 2021, the investment portfolio provided £24k (2020: £31k) of income and £287k (2020: £39k) in unrealised gains. While the value of the Academy's investments dipped by approximately 3% at the outset of the pandemic, this compared to a market fall of around 6%. The Trustees are satisfied with the overall performance which is in line with the return objective.

Risk management

The trustees have assessed the major risks to which the Academy is exposed and have ensured that systems are in place to manage these risks. The trustees also acknowledge that they have overall responsibility for ensuring that the Academy has an effective and appropriate system of control, financial and otherwise. The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures. Currently there are 12 risks that the trustees are monitoring on the Risk Register.

The risk of the Academy failing to deliver the curriculum effectively due to the impact of COVID19 had been added to the register last year. As a result of the mitigations in place, new guidelines from the government preventing isolation if in contact and the rollout of the vaccination programmes designed to minimise the possibility and impact on student learning, the governors currently deem this to be only a moderate risk for the school this year.

The key risks for the school have been identified as:

- decreasing/ tightening budgets - making it impossible to deliver the existing curriculum model without changes; and
- high staff turnover and difficulty in recruiting high calibre candidates - resulting in the loss of valuable knowledge and continuity, as well as the potential for poor quality teaching.

To address these risks the Academy has in place a series of controls, including a three-year budgeting cycle and contingency built in to budgets to manage fluctuations in student numbers and staffing changes. Staff retention plans continue to be overseen by a Staff Wellbeing committee looking at initiatives such as a buddying system and additional staff benefits to retain the best staff. The confirmation of a staff member as a Wellbeing Coordinator has added to the importance of staff as a resource. Two years ago, the Academy's three-yearly accreditation for Investors in People (IIP) standard was renewed and it was also found that the Academy met all of the requirements to be awarded the IIP Health and Wellbeing award, which reflects the Academy's commitment to staff health and wellbeing. This accreditation is valid up until March 2022. Further, the Head and the Finance Director regularly review the reduction in finances as the academy moves toward a closer alignment to the national funding formula solution over the next few years and the implications for staffing structures and thus the longer-term viability of some courses. These are shared at finance governor link visits and at Finance & Estates Committee meetings.

Fundraising

The Academy does not employ any third parties to undertake fundraising on its behalf. The Academy institutes a series of fundraising activities through the academic year for a number

of purposes. First, to develop students' 'active citizenship' through choosing key charities to support in order to develop a charitable giving culture. Fewer fundraising activities were undertaken this year due to the pandemic, although Children in Need, and Race for Life were supported once again. Second, for the Academy to support community projects and benefit in monies to these good causes. During the Lockdown, the Academy invited members of the school community to make donations to support our students and their families who were suffering financial hardship as a result of the pandemic. As at 31st August 2021, the Academy had received a sum of £1,769.50 some of which has already been distributed to assist a few struggling families.

We follow appropriate standards when receiving donations, with all such collections being overseen by the finance team, appropriately accounted for, banked and promptly paid over to the recognised charities. All donations are voluntary and no undue pressure or intrusion is put on donors.

The Academy has a complaints policy which would apply to any complaints raised in relation to our fundraising activities. No such complaints were received in the period.

Future plans

The trustees will continue to work towards meeting the aims of the Academy. The key objectives are to raise educational standards and deliver the Academy's Development Plan in a cost-effective manner.

Educationally, the ambition is to increase the number of students achieving Russell Group university places at the same time as improving the value-added scores and progress of all learners. To help us achieve these goals, the Academy has two full-time members of staff supporting students with careers, as well as a non-teaching pastoral support team of six. The Academy also aims to improve student numbers in sixth form. A number of actions have are in place to achieve this including target advertisements, offering a more varied A-Level curriculum. The Academy also continues to recruit the best teaching staff in order to deliver an outstanding level of education.

While the Academy is in a strong financial position at present, due to historically rigorous financial controls, in light of ongoing funding pressures, the trustees are looking at ways to secure the Academy's long-term financial sustainability. Key to this is an intention to expand the building capacity sufficiently to allow us to increase our admissions numbers by one form per year group.

The gymnasium infill project was contracted earlier this year to support this objective but first and foremost relieve the pressure on the daily usage of the academy educational spaces. The addition of two classroom spaces (one designated for expanded SEN provision), along with break out and other spaces will support a better functioning of the academy space. It will also afford space for staff to collaborate as this is something recommended by the Staff Wellbeing committee as a reason for stress and will be a positive retention tool. It is also the first step with the intention to increase our admissions numbers.

The Growth & Sustainability committee was established two years ago to drive this forward. The original objective was to increase our admissions number for September 2021, but potential delays in securing funding and obtaining planning consent means that this is more likely to be 2022 or 2023. The governors with the senior leadership team are determined to continue to make the school fiduciary secure and continue to deliver the high standards of education for the next 10 years.

Trustees' report

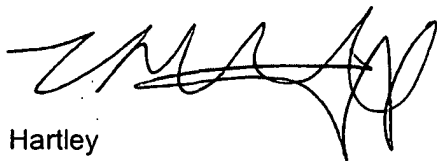
31 August 2021

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2021 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to be 'Tom Hartley', written over a horizontal line.

Tom Hartley
Trustee
10 December 2021

Governance statement

Scope of responsibility

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

The governing body has delegated day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to the governing body in the funding agreement between Hammersmith Academy Trust and the Secretary of State for Education. The Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The governing body has formally met four times during the year. The ESFA's recommended guidance is for the Trust Board to meet 6 times annually. Effective oversight is maintained between meetings through fortnightly catch-ups between the Chair and the Headteacher, regular link visits by various governors responsible for overseeing different management areas, and meetings of the various sub-committees of the full governing body.

The Full Governing Board (FGB) have four standard extended meetings a year which provides good governance coverage. The meetings are extensive commitments in the day time which include reviews with students and staff before the formal meetings. The FGB meetings consist of an extended strategic development meeting every September and 3 subsequent FGB meetings in December, March and June as part of the sub-committee and FGB cycle. Additional sub-committees are introduced as required which currently include Staff Well-being and Retention, and Growth and Development committees that complement the main sub-committees of Curriculum and Finance & Estates committees which meet in between the FGB. Further, all full governing board members are expected to conduct at least 3 assigned reviews into key link areas for accountability and report these to the FGB. Scrutiny and accountability are central to this structure and highly effective. Additional FGB meetings are called by the chair according to need.

During the year, meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
T Hartley (Chair)	4	4
N Aston	4	4
N Birtles	4	4
S Block	4	4
R Cassell	4	4
S Culhane	4	4
A Ellams	4	4
E Harrison	4	4

Governance statement

R Hooper	4	4
P Lane	3	4
K Langton	4	4
A Patel	4	4
S Patel	4	4
J Rangaswami(resigned 21.03.21)	1	3
C Van Oijen	4	4
K Sandford (appointed 23.09.20)	4	4
M Winslow (appointed 26.06.21)	1	1

The Finance, Audit and Estates Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finance and estates, including proper planning, monitoring and probity. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
R Cassell (Chair)	3	3
N Birtles	3	3
E Harrison	3	3
P Lane	3	3
J Rangaswami (retired 21.03.21)	0	2
K Sandford (appointed 23.09.20)	2	3

Governance reviews

A full skills audit was last completed in May 2018 and concluded that there was a significant breadth of knowledge and a sufficiently proficient skill set across the majority of the categories. Resignations and appointments that have occurred since have not significantly changed the breadth and balance of skills within the governing body.

Governors have an ongoing brief to identify and satisfy any specific areas for improvement in the normal course of their role.

As a result of last year's self-evaluation, considering the impact and effectiveness of the board of trustees, the governors were satisfied that the overall level of governance exhibited by the board was strong, enabling governors to execute their responsibilities effectively, and with no aspects presenting any cause for concern. Governors agreed that regular audits will take place to continue to ensure that this position does not change. It was concluded in the November Finance, Audit and Estates committee that a new skills evaluation would be completed before the end of the year.

Review of value for money

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

Governance statement

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

Efficient use of resources

- The Academy's spend on staff costs as a percentage of operating income has been 69.2% this year, excluding service costs relating to the LGPS pension fund liability. This is below average when taken against other single academy trust benchmarks. Value for money in relation to staff costs has been achieved by ensuring that an appropriate balance is maintained between less and more experienced teachers employed at the Academy. The resulting staffing structure is reviewed regularly by the governing board to ensure that it is fit for purpose and can adapt and respond to support the successful objectives agreed in the Academy's development plan (ADP). This year, we have also benefitted from cost savings as a result of not having to replace certain staff who left earlier in the year.
- Since October 2018, the Academy has employed Schools Space, an independent management company to oversee lettings of the Academy's facilities outside the school day. Restrictions imposed by the government in response to the pandemic has severely limited lettings income for the current financial year. However, since the restrictions have been lifted, there has been a noticeable growth to this revenue stream. Income generated in this way has been reinvested in maintaining the Academy's premises, thus reducing pressure on GAG funding for building maintenance and ensuring those resources are available instead for added-value, educational activities.

Sound financial management

- At the beginning of the year, department heads are allocated a budget based on pupil numbers and the specific equipment needs of their department, and they are held to account for any overspend against this budget. In turn the governing body reviews and challenges the overall budget, and receives termly budget monitoring reports, which explain variances from the budget and provide a reforecast.
- The impact of the pandemic has resulted in both additional costs and some significant savings against the budget. Through a combination of effective budgetary challenge and careful redeployment of resources where savings were identified, this financial year, the Academy was able to deliver a £703k operating surplus (before capital and investment), as against a budgeted operating profit of £4k.

Effective procurement

The Academy continued to support its suppliers in line with the Cabinet Office's procurement policy note PPN 02/20. We did not furlough any of our own staff and nor was it necessary to furlough any of the staff employed through our outsourced services contracts.

- Department budget holders are required to seek out the most competitive deals using various procurement tools such as internet shopping, advice from colleagues in other schools and economies of scale where possible e.g. shared subscriptions. They must ensure that suppliers compete on grounds of cost, quality, suitability, product and

Governance statement

aftersales support, and they understand that best value may not necessarily mean the lowest price.

- The Academy collaborates with a number of other public sector companies to achieve best value, notably by way of bulk purchasing economies, such as utilities, through organisations such as the ESPO and Educational consortiums.
- For higher value procurements, full competitive tendering has been applied in accordance with ESFA and broader public-sector procurement rules. The company Olive, won the tender for provision for catering starting September 2021. This tendering process was extremely competitive and will provide further value for to the academy.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hammersmith Academy Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The risk and control framework

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

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

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Octavo Partnership to provide the services of a Responsible Officer. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. Areas reviewed by the Responsible Officer last year were:

- Payroll & HR
- Budgeting and Forecasting

Governance statement

- Fraud, Theft and bribery
- IT Systems & Processes
- Safeguarding & Whistleblowing

Ordinarily, the Responsible Officer reports each term to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. Due to the pandemic, only one visit was completed this year. The internal scrutiny visit was conducted remotely and highlighted a several recommendations primarily around IT systems and Safeguarding. The recommendations have or are in the process of being implemented and our systems are constantly under review for effectiveness and adherence to best practice. The governors are satisfied that controls have continued to operate effectively through the pandemic, and the reduced visits from the Responsible Officer has not detrimentally impacted their ability to rely on those controls. The governors have gained assurance from the work of the external auditor as well as their own link visits, particularly those of the Chair of the Finance, Audit and Estates Committee, which involved reviewing finance protocols and management reporting processes, as well as checking specific, high-risk expense items.

Review of effectiveness

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

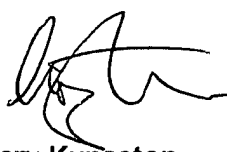
- the work of the Responsible Officer;
- the work of the external auditor; and
- the financial management and governance self-assessment process.

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

Approved by order of the members of the governing body on 10 December 2021 and signed on its behalf by:



Tom Hartley
Chair



Gary Kynaston
Accounting officer

Statement on regularity, propriety and compliance

As accounting officer of Hammersmith Academy Trust, I have considered my responsibility to notify the Academy's governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy's governing body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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 the ESFA.



Gary Kynaston
Accounting Officer

10 December 2021

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. 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 income and expenditure for that period. In preparing these financial statements, the trustees are required to:

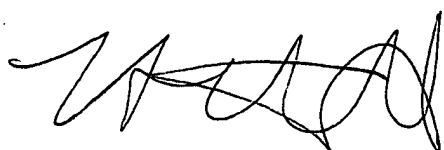
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgements and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees and signed on 10 December 2021 and signed on its behalf by:



Tom Hartley
Chair

Independent auditor's report to the members of Hammersmith Academy Trust

Opinion

We have audited the financial statements of Hammersmith Academy Trust (the 'trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP FRS102 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP FRS102 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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 Trust'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.

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. Other information 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

Independent auditor's report to the members of Hammersmith Academy Trust

the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Hammersmith Academy Trust

Auditor's responsibilities for the audit of the financial statements

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

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:

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction, the Academy Trust Handbook and Tax legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on income and the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with

Independent auditor's report to the members of Hammersmith Academy Trust

governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Auditor's Report.

Use of our report

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



Andrew Thomas (Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
St Bride's House
55 Ludgate Hill
London
EC4M 7JW

Date: 21st December 2021

Independent reporting accountant's assurance report on regularity to the governing body of Hammersmith Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 2 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hammersmith Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Hammersmith Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hammersmith Academy's funding agreement with the Secretary of State for Education dated 9th June 2009 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal

Independent reporting accountant's assurance report on regularity to the governing body of Hammersmith Academy and the Education and Skills Funding Agency

controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Thomas
Reporting Accountant

Crowe U.K. LLP
London

Date: 21st December 2021

Hammersmith Academy Trust

Statement of Financial Activities for the year ended 31 August 2021

(including Income and Expenditure Account)

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Restricted Endowment Funds £000	Total 2021 £000	Total 2020 £000
Income and endowments from:	Note						
Donations and Capital Grants	3	8	89	89	-	186	78
Charitable activities:							
Funding for the Academy's educational operations	4	-	7,654	-	-	7,654	6,881
Other trading activities	5	156	-	-	-	156	198
Investments	6	24	-	-	-	24	31
Total		188	7,743	89	-	8,021	7,188
Expenditure on:							
Raising funds	7	128	-	-	-	128	233
Charitable activities:							
Academy's educational operations	8	-	7,371	1,131	-	8,502	7,905
Total		128	7,371	1,131	-	8,630	8,138
Net gains / (losses) on investments		140	-	-	147	287	39
Net income / (expenditure)		200	372	(1,042)	147	(323)	(911)
Transfers between funds	16		(220)	220		-	-
Other recognised gains / (losses):							
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(692)	-	-	(692)	(353)
Net movement in funds		200	(540)	(822)	147	(1,015)	(1,264)
Reconciliation of funds							
Total funds brought forward		837	(1,895)	15,567	1,182	15,691	16,955
Total funds carried forward		1,037	(2,435)	14,745	1,329	14,676	15,691

Hammersmith Academy Trust
Statement of Financial Activities
for the year ended 31 August 2020
(including Income and Expenditure Account)

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Restricted Endowment Funds £000	Total 2020 £000
Income and endowments from:	Note					
Donations and Capital Grants	3	23	36	19	-	78
Charitable activities:						
Funding for the Academy's educational operations	4	42	6,839	-	-	6,881
Other trading activities	5	198	-	-	-	198
Investments	6	31	-	-	-	31
Total		294	6,875	19	-	7,188
Expenditure on:						
Raising funds	7	233	-	-	-	233
Charitable activities:						
Academy's educational operations	8	-	6,871	1,034	-	7,905
Total		233	6,871	1,034	-	8,138
Net gains and losses on investments		(17)	-	-	56	39
Net income / (expenditure)		44	4	(1,015)	56	(911)
Transfers between funds	16		(219)	219		-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(353)	-	-	(353)
Net movement in funds		44	(568)	(796)	56	(1,264)
Reconciliation of funds						
Total funds brought forward		793	(1,327)	16,363	1,126	16,955
Total funds carried forward		837	(1,895)	15,567	1,182	15,691

Hammersmith Academy Trust

Balance Sheet as at 31 August 2021

Company Number
06397195

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Investments	13		2,569		2,279
Tangible assets	12		14,746		15,567
Current assets					
Debtors	14	232		315	
Cash at bank and in hand		1,189		491	
		<u>1,421</u>		<u>806</u>	
Liabilities					
Creditors: amounts falling due within one year	15	(714)		(583)	
Net current assets			<u>707</u>		<u>223</u>
Total assets less current liabilities					
Net assets excluding pension liability			<u>18,022</u>		<u>18,069</u>
Defined benefit pension scheme liability	22	(3,346)		(2,378)	
Total assets			<u>14,676</u>		<u>15,691</u>
Funds of the academy trust:					
Endowment funds	16	1,329		1,182	
Restricted funds					
Fixed asset fund	16	14,745		15,567	
Restricted income fund	16	911		483	
Pension reserve	16	(3,346)		(2,378)	
Total restricted funds			<u>13,639</u>		<u>14,854</u>
Unrestricted income funds - general			703		506
Unrestricted income funds - endowment	16		334		331
Total funds			<u>14,676</u>		<u>15,691</u>

The financial statements on pages 27 to 30 were approved by the trustees, and authorised for issue on 10 December 2021 and are signed on their behalf by:

Tom Hartley
Trustee



Hammersmith Academy Trust

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	918	60
Cash flows from investing activities	20	(220)	(219)
Change in cash and cash equivalents in the reporting period		699	(159)
Cash and cash equivalents at the beginning of the period		491	650
Cash and cash equivalents at the end of the period	21	1,189	491

Hammersmith Academy Trust

Notes to the Financial Statements for the period ended 31 August 2021

1 Statement of accounting policies

The Trust is a private company limited by guarantee, incorporated in England (company number: 6397195). The address of the registered office and principal place of operation are detailed on page 1.

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 academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

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

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the Education and Skills Funding Agency (ESFA). Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in notes 15 and 23.

Hammersmith Academy Trust

Notes to the Financial Statements for the period ended 31 August 2021 (continued)

Income

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions and there is not unconditional entitlement to the income, its recognition is deferred and it is 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 when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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.

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it 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.

- **Other income**

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

- **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'.

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 academy trust's accounting policies.

Hammersmith Academy Trust

Notes to the Financial Statements for the period ended 31 August 2021 (continued)

Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT

Tangible fixed assets

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

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

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

- | | |
|------------------------------------|--------|
| ● Long leasehold buildings | 4% pa |
| ● Fixtures, fittings and equipment | 20% pa |
| ● ICT hardware | 33% pa |

Hammersmith Academy Trust

Notes to the Financial Statements for the period ended 31 August 2021

(continued)

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

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

Liabilities

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

Provisions

Provisions are recognised when the academy 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.

Investments

Fixed asset investments are held to generate income and for their investment potential. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Gains/(losses) on investments" in the SoFA.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Hammersmith Academy Trust

Notes to the Financial Statements for the period ended 31 August 2021 (continued)

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

The expendable endowment fund represents a principal sum of £1,000,000 which may not be expended without the express prior written permission of the Secretary of State. The academy trust is permitted to treat as income all forms of capital gain on this, in line with the Endowment Fund terms of reference.

Hammersmith Academy Trust

Notes to the Financial Statements for the period ended 31 August 2021 (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/ (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2021.

3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Capital Grants	-	20	20	19
Donated - Fixed Asset	-	69	69	-
Donations	8	89	97	59
	<u>8</u>	<u>178</u>	<u>186</u>	<u>78</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	6,521	6,521	5,971
Other DfE/ESFA grants	-	721	721	680
	<u>-</u>	<u>7,242</u>	<u>7,242</u>	<u>6,651</u>
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	115	115	-
	<u>-</u>	<u>115</u>	<u>115</u>	<u>-</u>
Other Government grants				
Local authority grants	-	292	292	172
Other income from educational operations	-	5	5	58
	<u>-</u>	<u>7,654</u>	<u>7,654</u>	<u>6,881</u>

Hammersmith Academy Trust
Notes to the Financial Statements for the year ended 31 August 2021
(continued)

5. Other trading activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£000	£000	£000	£000
Hire of facilities	12	-	12	30
Music services income	-	-	-	-
Catering income	137	-	137	156
Trip income	3	-	3	3
Sundry income	5	-	5	9
	<u>156</u>	<u>-</u>	<u>156</u>	<u>198</u>

6. Investment income

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£000	£000	£000	£000
Endowment income receivable	24	-	24	31
	<u>24</u>	<u>-</u>	<u>24</u>	<u>31</u>

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

7. Expenditure

	Staff Costs	Non-pay Expenditure		Total	Total
		Premises	Other	2021	2020
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	-	128	128	233
Academy's educational operations:					
Direct costs	4,726	966	543	6,235	5,844
Allocated support costs	1,061	589	617	2,267	2,061
	5,787	1,555	1,288	8,630	8,138

Net income/(expenditure) for the period includes:

	2021	2020
	£000	£000
Operating lease rentals	31	38
Depreciation	1,131	1,034
Fees payable to auditor for:		
- audit	15	13
- other services	1	2

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

8 Charitable activities

	2021	2020
	£000	£000
Direct costs – educational operations	6,235	5,844
Support costs – educational operations	2,267	2,061
	<u>8,502</u>	<u>7,905</u>

Analysis of support costs	2020	2020
	£000	£000
Support staff costs	1,061	954
Depreciation	-	-
Technology costs	122	121
Premises costs	589	625
Other support costs	435	323
Governance costs	60	38
Total support costs	<u>2,267</u>	<u>2,061</u>

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2021 £000	Total 2020 £000
Wages and salaries	4,196	3,910
Social security costs	390	401
Operating costs of defined benefit pension schemes	1,044	974
	5,630	5,285
Supply staff costs	157	115
	5,787	5,400

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	67	61
Administration and support	47	41
Management	3	3
	117	105

c. Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	6	4
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the trustees, the senior management team, Assistant Headteachers and Director of Finance & Resources. The total amount of employee benefits (including employer NI and pension contributions) received by key management personnel for their services to the Academy was £623k (2020: £628k).

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

10 Related party transactions - Trustees' remuneration and expenses

Hammersmith Academy is sponsored by the Mercers' Company and the Worshipful Company of Information Technologists (WCIT). During the period ended 31 August 2021, the Mercers Company gave the academy trust £76k to assist in the cost of rolling out of the STEM programme, support the academy trust's careers programme and to fund a number of student prizes.

No trustee has been paid remuneration or has received other benefits from an employment with the academy trust. This includes the principal who has chosen not to act as a trustee on an ex officio basis, and nor does any other employee of the school act as a staff governor. This has been the case since the academy trust was established.

During the period ended 31 August 2021, no travel or subsistence expenses were reimbursed or paid directly to any trustee (2020: £nil).

11 Trustees' and Officers' insurance

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

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

12 Tangible fixed assets

	Leasehold land and buildings	Furniture and equipment	Computer hardware	Total
	£000	£000	£000	£000
Cost				
At 1 September 2020	23,776	93	484	24,353
Additions	156	7	146	309
Disposals	-	-	-	-
At 31 August 2021	23,932	100	630	24,662
Depreciation				
At 1 September 2020	8,572	35	179	8,786
Charged in year	951	15	165	1,131
Disposals	-	-	-	-
At 31 August 2021	9,523	49	344	9,917
Net book values				
At 31 August 2020	15,204	58	305	15,566
At 31 August 2021	14,408	50	286	14,745

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

13 Investments

	2021	2020
	£000	£000
At 1 September	2,279	2,226
Additions	-	-
Gains/ (losses)	287	39
Investment income retained/ reinvested	24	31
Management Fees	(21)	(17)
Withdrawals	-	-
As at 31 August	<u>2,569</u>	<u>2,279</u>

Analysis of investments:

	£000	£000
Fixed interest	218	303
UK Equities	254	227
Overseas/Global investments	1,384	1,266
Multi asset investments	245	-
Alternative investments	307	304
Cash	161	178
	<u>2,569</u>	<u>2,279</u>

Investments relate to the Endowment Fund, which is held on trust for the benefit of the Academy, monies provided by the Thomas Rich Educational Grant, which is held in a separate trust for the benefit of the students, and monies from the Academy's own reserves. At the end of the year, the Endowment Fund, which consists of two separate portfolios had a balance of £1,515k on its capital portfolio and a balance of £181k on its retained income portfolio. The Thomas Rich educational grant had a year-end balance of £123k and the HA reserves fund had a balance of £750k.

14 Debtors

	2021	2020
	£000	£000
Trade debtors	10	36
VAT recoverable	84	176
Other debtors	2	3
DFE GAG funding due	53	52
Prepayments and accrued income	83	48
	<u>232</u>	<u>315</u>

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

15 Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	157	174
Other taxation and social security	112	104
Other creditors	117	102
Accruals and deferred income	328	203
	714	583

At the balance sheet date, the academy trust was in deficit of £1,171 of over-utilised 16-19 bursary funding, which is included within other creditors. Further details regarding this can be found in note 24.

Deferred income	2021	2020
	£000	£000
At 1 September	55	45
Released from previous years	(55)	(45)
Resources deferred in the year	111	55
At 31 August	111	55

16 Funds

	Balance at 1 September 2020	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2021
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	137	6,521	(5,527)	(220)	911
Pupil Premium	-	310	(310)	-	-
Other grants	346	912	(1,258)	-	-
Pension reserve	(2,378)		(276)	(692)	(3,346)
	(1,895)	7,743	(7,371)	(912)	(2,435)
Restricted fixed asset funds					
DfE/ESFA capital grants	14,303	89	(1,131)	220	13,481
Private sector capital sponsorship	1,186	-	-	-	1,186
Other	78	-	-	-	78
	15,567	89	(1,131)	220	14,745
Endowment	1,182		-	147	1,329
Total restricted funds	14,854	7,832	(8,502)	(545)	13,639
Total unrestricted funds	837	188	(128)	140	1,037
Total funds	15,691	8,021	(8,630)	(405)	14,676

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

16. Funds (continued)

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

£220k was transferred from the restricted general fund (GAG) to the restricted fixed asset fund to cover the cost of Building additions, IT and FFE purchases in excess of the value of devolved formula capital received in the year.

Prior year funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	84	5,971	(5,699)	(219)	137
Pupil Premium	-	318	(318)	-	-
Other grants	387	586	(627)	-	346
Pension reserve	(1,798)		(227)	(353)	(2,378)
	<u>(1,327)</u>	<u>6,875</u>	<u>(6,871)</u>	<u>(572)</u>	<u>(1,895)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	15,099	19	(1,034)	219	14,303
Private sector capital sponsorship	1,186	-	-	-	1,186
Other	78	-	-	-	78
	<u>16,363</u>	<u>19</u>	<u>(1,034)</u>	<u>219</u>	<u>15,567</u>
Endowment	1,126		-	56	1,182
Total restricted funds	<u>16,162</u>	<u>6,894</u>	<u>(7,905)</u>	<u>(297)</u>	<u>14,854</u>
Total unrestricted funds	793	294	(233)	(17)	837
Total funds	<u>16,955</u>	<u>7,188</u>	<u>(8,138)</u>	<u>(314)</u>	<u>15,691</u>

In 2019/20 £94k was transferred from the restricted general funds to the restricted fixed asset fund to cover the cost of IT capital purchases in excess of the value of devolved formula capital received in the period.

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Endowment Funds £000	Total Funds £000
Investments	366	874	-	1,329	2,569
Tangible fixed assets	-	-	14,745	-	14,745
Current assets	707	714	-	-	1,421
Current liabilities	(36)	(677)	-	-	(713)
Non-current liabilities	-	-	-	-	-
Pension scheme liability	-	(3,346)	-	-	(3,346)
Total net assets	1,037	(2,435)	14,745	1,329	14,676

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Endowment Funds £000	Total Funds £000
Investments	329	768	-	1,182	2,279
Tangible fixed assets	-	-	15,567	-	15,567
Current assets	519	287	-	-	806
Current liabilities	(11)	(572)	-	-	(583)
Non-current liabilities	-	-	-	-	-
Pension scheme liability	-	(2,378)	-	-	(2,378)
Total net assets	837	(1,895)	15,567	1,182	15,691

18 Commitments under operating leases

Operating leases

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

	2021 £000	2020 £000
Amounts due within one year	33	10
Amounts due between one and five years	33	9
Amounts due after five years	33	6
	99	25

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

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

	2021	2020
	£000	£000
Net income/ (expenditure) for the reporting period (as per the SOFA)	(322)	(911)
Adjusted for:		
Depreciation charges (note 12)	1,131	1,034
Capital grants from DfE and other capital income	(89)	(19)
Investment income (note 6)	(24)	(31)
Management fee on investments (note 13)	21	17
Defined benefit pension scheme cost less contributions payable (note 22)	239	195
Defined benefit pension scheme finance cost (note 22)	37	32
Unrealised (gains)/ losses on investments	(287)	(39)
(Increase)/decrease in debtors	83	(72)
Increase/(decrease) in creditors	129	(146)
Net cash provided by / (used in) Operating Activities	918	60

20 Cash flows from investing activities

	2021	2020
	£000	£000
Dividends, interest and rents from investments	24	31
Purchase of tangible fixed assets	(309)	(238)
Capital funding from ESFA	89	19
Purchase of investments	(3)	(14)
Withdrawal of investments	-	-
Management fees	(21)	(17)
Net cash provided by/ (used in) financing activities	(220)	(219)

21 Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash at bank and in hand	1,189	491
Total cash and cash equivalents	1,189	491

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

22 Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	Other non-cash changes £000	At 31 August 2021 £000
Cash	302	-	220	522
Cash equivalents	-	-	-	-
Other grants	387	-	-	387
Pension reserve	(1,798)	-	-	(1,798)
	(1,109)	-	220	(889)

23 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed London Borough of Hammersmith and Fulham. Both are multi-employer defined benefit pension 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 £94,443 were payable to the schemes at 31 August 2021 (2020: £88,301) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

Hammersmith Academy Trust

Notes to the Financial Statements for the period ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

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 4 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. 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 2023.

The pension costs paid to TPS in the period amounted to £575,210 (2020: £566,415).

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

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

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

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 2021 was £294k (2020: 274k), of which employer's contributions totalled £230k (2020: £214k) and employees' contributions totalled £64k (2020: £60k). The agreed contribution rates for future years are 23.9% for employers and a specified rate between 5.5% and 9.9% for employees, dependent on actual pensionable salary.

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

Principal actuarial assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.85%	3.20%
Rate of increase for pensions in payment/inflation	2.85%	2.20%
Discount rate for scheme liabilities	1.70%	1.65%
Inflation assumption (CPI)	2.85%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%

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

	2021	2020
<i>Retiring today</i>		
Males	21.6	21.8
Females	24.3	24.4

<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.7	25.9

Sensitivity Analysis	2021 £000	2020 £000
Discount rate +0.1%	4,831	3,511
Discount rate -0.1%	5,223	3,795
Mortality assumption - 1 year increase	5,213	3,776
Mortality assumption - 1 year decrease	4,840	3,529
Rate of increase in salaries +0.1%	5,025	3,652
Rate of increase in salaries -0.1%	5,021	3,648

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

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

	2021	2020
	£000	£000
Equity instruments	785	565
Debt instruments	729	578
Property	163	129
Total market value of assets	1,677	1,272

The total return on scheme assets was £191,000 (2020: £93,000).

Amounts recognised in the statement of financial activities

	2021	2020
	£000	£000
Current service cost (net of employee contributions)	467	409
Net interest cost	37	32
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	504	441

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

	2021	2020
	£'000	£'000
At 1 September	3,650	3,163
Current service cost	467	409
Interest cost	60	61
Employee contributions	63	60
Actuarial (gain)/ loss	860	(70)
Benefits paid	(77)	27
Plan introductions, benefit changes, curtailments and settlements		
At 31 August	5,023	3,650

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

	2021	2020
	£'000	£'000
At 1 September	1,272	1,365
Interest income	23	29
Return on plan assets (excluding net interest on the net defined pension liability)	168	64
Actuarial gain/(loss)	-	(487)
Employer contributions	228	214
Employee contributions	63	60
Benefits paid	(77)	27
At 31 August	1,677	1,272

Hammersmith Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the academy trust received £26,411 (2020: £20,169) and disbursed £29,100 (2020: £26,614) from the fund. An amount of £1,172 is included in other debtors, being overdistributed funds reclaimable from the ESFA.