HISP Multi Academy Trust Limited
(formerly Thornden School)
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2020

Company Registration Number:
07562918 (England and Wales)

HISP Multi Academy Trust Limited
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HISP Multi Academy Trust Limited

Reference and Administrative Details

Members:
S Allen (from 29 January 2020)
R Boden
J Johnson (from 29 January 2020)
V Radford
T Ricketts
S Whelan (to 31 December 2019)

Trustees:
M Collings (appointed 21 May 2020)
K Graham (appointed 24 June 2020)
A Hunter
A Parr
P Sampson
S Whelan
A Alzetani (resigned 31 December 2019)
J Beckingham (resigned 31 December 2019)
T Bevan (resigned 31 December 2019)
R Boden (resigned 31 December 2019)
S Bowyer (resigned 5 September 2019)
E Challand (resigned 2 July 2020)
J Crouch (resigned 31 December 2019)
L Fogleman-Peaston (resigned 31 December 2019)
D Francis (resigned 31 December 2019)
S Langran (appointed 25 March 2020, resigned 25 March 2020)
J Pinnock (resigned 31 December 2019)
V Radford (resigned 31 December 2019)
T Ricketts (resigned 31 December 2019)
P Roberts (resigned 31 December 2019)
G Yates (resigned 31 December 2019)

Company Secretary
P Goodwin

Senior Management Team:
S Whelan CEO
A Parry Deputy CEO
K Robinson CFO (to 23 October 2020)
P Goodwin CFO (from 23 October 2020)

Company Name
HISP Multi Academy Trust Limited
With effect from 24 December 2019 the company name was changed from Thornden School

HISP Multi Academy Trust Limited
Reference and Administrative Details

Principal and Registered Office
Winchester Road
Chandlers Ford
Eastleigh
Hampshire
SO53 2DW

Company Registration Number
07562918 (England and Wales)

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

Bankers
Lloyds Bank Plc
PO Box 1000
BX1 1LT

Solicitors
Paris Smith LLP
1 London Road
Southampton
SO152AE

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
West Midlands
B2 4BU

HISP Multi Academy Trust Limited
Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

In October 2019 the Headteacher Board accepted our application to become a multi Academy Trust. In January 2020 Thornden School became HISP Multi Academy Trust with Thornden School its only school. In July 2020 HISP welcomed Portswood Primary School and Tanners Brook Primary School into the Trust.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of HISP Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as HISP Multi Academy Trust and has Thornden School, Portswood Primary School and Tanners Brook Primary School within the Trust. Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustee's third-party indemnity is covered through the Department for Education's Risk Protection Arrangement (RPA) an alternative to insurance for Academy Trusts. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring and provides cover up to £10,000,000 per year.

Method of Recruitment and Appointment or Election of Trustees

The Board of Trustees has been formed in accordance with the Articles of Association. The number of Trustees shall be not less than three but shall not be subject to any maximum. Subject to Articles 48-49 and 53 the Trust have up to nine Trustees appointed by Members, a minimum of two shall be parents in the event that the local governing bodies are not established or if no provision is made for at least two parent local governors on each established local governing body. The Chief Executive Officer has chosen to act as a Trustee. Prior to becoming a multi academy Trust a governance review was conducted and the incumbent board of governors separated into Members, Trustees or local governing body members in line with governance best practice and aligned with the Academies Financial Handbook. During the year the Trust Board has carried out an audit of skills and competencies of the board and has worked with Academy Ambassadors to recruit new Trustees to the Board with necessary skills and experience.

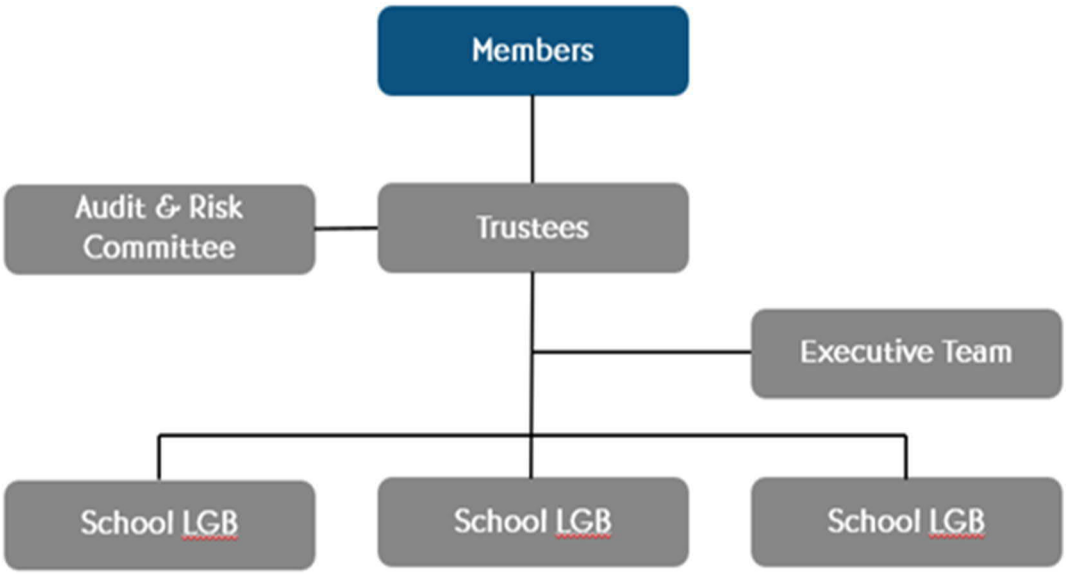
Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust Board have an agreed Trustee Induction Policy which ensures Trustees relevant information and training to understand their role. The Trustees purchase subscriptions for National Governance Association, The Key for Governors, and Governors Hub which aids them to keep up to date with relevant legislation and issues. Trustees also have a service level agreement with Hampshire County Council who provide support and training to the board and the appointed Clerk to Trustees and undertake safeguarding training annually. All Trustees subscribe to an agreed code of conduct.

Organisational Structure

The Board of Trustees devolve the day to day running of the Trust to the Executive Team as listed on Page 1. The activities and decisions are monitored through the Trust Board. The Chief Executive Officer is also the Accounting Officer of the Trust.

There is a separate Audit and Risk Committee that meets at least three times per year and resource group that is convened to approve pay awards. During the year, due to the Coronavirus pandemic, meetings were conducted remotely using Microsoft Teams. The executive team continued to work through the pandemic to ensure the Trust's operations remained unaffected.



There are local governing bodies at each school that monitor and evaluate the performance of each school and report to the Trust Board, when face to face meetings were not possible, these meetings also took place using Microsoft Teams.

Arrangements for setting pay and remuneration of key management personnel

An external review of executive pay has just been undertaken and the Trustees have agreed to move to the proposed reward model in 2020/21 for setting and reviewing executive pay.

Trade union facility time
In accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, there were no employees who were relevant Union officials during the year and no facility time was provided.

Related Parties and other Connected Charities and Organisations
HISP Multi Academy Trust is also the sole shareholder of a trading Company: Thornden School Services Ltd (incorporated in England and Wales Reg. No. 07781857).

Within HISP Multi Academy Trust there are two teaching schools, Hampshire SCITT Partnership and Portswood Primary Teaching School Alliance. The teaching schools actively work with schools across the South of England, but have no involvement with the operating policies, leadership or governance within these partner schools.

Objectives and Activities
Objects and Aims
During the year Thornden Academy Trust changed its name to HISP Multi Academy Trust and as part of this change the Articles of Association were updated to the current model. HISP Multi Academy Trust's objects are restricted to the following:

- 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 schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students/pupils ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies")

- To promote for the benefit of individuals living in Hampshire, the Isle of Wight, Southampton and Portsmouth or any county or unitary authority in which and Academy is located who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals

Objectives, Strategies and Activities

After converting to a Multi Academy Trust in January 2020 the Trust worked with the Regional School Commissioner to on-board two primary schools into the Trust from Portswood Primary Academy Trust –Tanners Brook Primary School and Portswood Primary School. The schools were Ofsted rated Good and Outstanding and will help build a strong foundation within the Trust across KS1 to KS4 and support future growth plans.

Due to Coronavirus measures, the merger process was interrupted and took longer than anticipated but this was successfully completed with a transfer date of 1st July 2020. HISP had supported the two schools under a service level agreement from May to the date of transfer. During the year the Coronavirus measures meant that from May 2020 the schools only opened for the children of key workers. Key stage 4 exams were cancelled as were Key Stage 2 tests. The impact of lockdown has had an adverse effect on the turnover and surplus of the trading subsidiary Thornden School Services Limited but the Trust is confident this will return to near previous levels as anti-virus measures lift.

During the year Thornden School was awarded a significant capital grant to restore Thornden Hall and work commenced prior to year end with an anticipated completion date of summer 2021. HISP Multi Academy Trust has reviewed its Vision and Values and the below will underpin all of the objectives, strategies and activities of the Trust:

HISP Multi Academy Trust believes in building excellent educational environments that inspire and unlock potential in all our school communities.

We believe:

- The child is at the centre of everything we do. Every decision is based on 'Will this benefit our children?'
- That all members of our Trust – children, staff, families and local communities – should aim high and dream big. We have high aspirations for all.
- Our schools should be at the heart of their communities, be at the forefront of leading social change and provide support for all our members.
- That the Trust has an obligation to drive continuous improvement in outcomes, in safeguarding our communities, in building a love for learning, in innovation, in the wellbeing of all our members, in challenging performance and developing cultural capital.
- Evidence based research is at the heart of sustainable school improvement. Collaborative partnerships across the Trust will provide support and challenge. We will learn from each other and provide a first class education to all our members.

Objectives, Strategies and Activities (continued)
Our expectation is that all schools in the HISP Multi Academy Trust will:

- Demonstrate a relentlessness to continually improve, to never stand still, with the ultimate aim of providing the best opportunities and experiences for all our children.
- Aim to ensure that every child fulfils their potential regardless of potential barriers to learning.
- Commit to becoming an outstanding, self-improving school and to support the professional development of all schools within the partnership.
- Commit to the values, principles, policies and procedures of the Trust.
- Strive to be in the top 5% for progress of schools in the country within 5 years of joining the Trust.

All our schools will work together to:

- Ensure that schools feel connected to the Trust whilst maintaining their unique qualities, character and relationship with their community.
- Ensure high quality teaching and learning.
- Engage with our communities to raise aspirations for all.
- Develop the whole child and create inquisitive learners.
- Enable all children to be confident, building on strengths and improving areas of need.
- Support the development of all staff to be the best they can be and realise their career potential.

Public Benefit
In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic Report
Achievements and Performance
2019-20 has been a disturbed year for all schools with GCSE and other examinations cancelled and grades allocated at school level. Despite the national turbulence GCSE results and internal assessments were broadly in line with a normal distribution at Thornden. With 2020 GCSE results 93% of students were awarded grade 4+ in English and Maths and 75% of students achieved 5+ in English and Maths. The EBACC figure (4+ grades in English, maths, 2 science, humanity, language) increased significantly to 64% which was a reflection of increased numbers of students being supported to take this combination of subjects at GCSE level. Progress scores will not be calculated nationally for this academic year as a result of GCSE examinations not taking place.

Attendance to the point of school closure was in line with figures from previous years. During school closure, our curriculum was maintained through online learning with live lessons being delivered from the outset. Some students were taught in school throughout lockdown (in line with Government guidance) and these students also accessed their curriculum online.

Achievements and Performance (continued)

Our ethos is characterised and supported by various enrichment activities, from individual music lessons to regular sporting, musical and performance-based opportunities, to the point of closure these were maintained, as were educational trips and activities. Once schools closed, we produced weekly videos which staff, students and parents contributed to. This helped to maintain a strong link between school and community during a difficult period. Portswood and Tanners Brook Schools aligned to their previous trust and joined on the 1st July 2020. HISP worked with the schools to minimise disruption to both staff and students.

Key Performance Indicators

The use of target setting, performance management and benchmarking is informed by the use of data available to the school. The school improvement plan and departmental improvement plans are linked to whole school objectives and targets are set in agreement with Trustees who receive regular updates on progress against milestones and comparison with national averages. Thornden admission numbers remain high and there is a waiting list. Portswood and Tanners Brook Schools joined on the 1st July, the first 100 days focused on key objectives that ensured a smooth transition to HISP Multi Academy Trust.

Senior Leaders and Trustees receive regular management accounts showing financial performance against the agreed budget. Trustees receive financial benchmarking reports and review the School Resource Management Tool annually to assess annual income and expenditure against similar schools.

Going Concern

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

Financial Review

The majority of HISP Multi Academy Trust income is sourced from the ESFA as part of the General Annual Grant (GAG). These funds are used to support the key aim of providing quality education for students/pupils aged 4 to 16 and helping them realise their full potential. Individual School Improvement Plans are reviewed annually and GAG funding together with other grants and donations from the trading subsidiary is utilised to fund the objectives agreed. This year we have also undertaken some significant grant funded projects through our teaching schools utilising our staff to support other schools' improvement and offer developmental opportunities.

The catastrophic failure of a glulam beam forced the closure of Thornden Hall, resulting in a significant decrease in revenue from the hire of this facility. This was made worse by the coronavirus anti-virus measures. In the June 2020 we were awarded a grant from the Condition Improvement Fund to repair the beam – Thornden School will also make a contribution from reserves to support the repair.

The Trust continued to make all contractual payments through the Coronavirus period. There was a decreased spend in some areas due to the schools only being opened for a small number of students/pupils/pupils but an increased spend in items such as cleaning products to ensure the safety of all.

Trustees review and agree any balances that should be held in the account and carried forward into the following financial year where applicable and recorded in the minutes.

The in year surplus for the Academy was £2,364,573 (including £1,945,277 in respect of the existing academies joining the Trust), and the reserves as at 31 August 2020 were as follows:

- Unrestricted (free) reserves of £1,127,384
- A restricted fixed asset fund of £19,397,581, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £6,324,000
- Other restricted funds of £848,082
- Total funds of £15,049,047

There is a £6,324,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the Trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the Academy Trust as a result of recognising the deficit.

Reserves Policy

Our aim is to use the allocated funding each year for the full benefit of our current students/pupils, unrestricted reserves may also be utilised in year where planned in year deficits are expected in future years. However we also consider it necessary to carry forward some reserves to:

- Provide sufficient working capital to cover delays between spending and receipt of grants.
- Work towards the preparation of a large capital improvement bid to repair the catastrophic failure of the main beam within Thornden Hall to re-enable school and community use.
- To invest in future years' priorities for the children of our school.
- To have contingency reserves to cover expenditure required for unforeseen circumstances such as urgent maintenance.
- To ensure that staffing levels and class sizes can be maintained at an appropriate ratio and that the students/pupils can continue to have access to the broad curriculum.
- To ensure that the increased costs to employers with regards to the minimum wage, the apprenticeship levy and cost of living pay increases can be met whilst managing the cumulative effect of flat allocations.
- Retain a reasonable balance to account for any unforeseen deficits which may occur within the Teaching Schools or SCITT budgets.

Investment Policy

The primary objective is to maximise investment on any long term accrued balances in order to protect those balances against inflation. The Trust also aims to invest any other surplus cash funds, as determined by the Chief Financial Officer on a short term basis. All investments will be made ensuring there is no tangible risk to the loss of those funds. The policy states:

- There will be sufficient cash balances retained in the bank account to meet the day to day running costs of the school.
- All funds will be invested ensuring that there is no risk to the loss of those funds.
- Capital funds will be invested to protect against inflation.
- Other short term surplus balances may be invested into longer term fixed investments to maximise returns.

Principal Risks and Uncertainties

The Coronavirus has had an impact on staff, students and the wider community, and staff absence poses a risk to the Trust both in terms of provision of education but also financially. We are also aware of the impact it has had on staff wellbeing which we want to protect and is something we continue to monitor. Other risks and uncertainties continue to be:

- Employer responsibility for the Local Government Pension Scheme liabilities has increased and will continue to do so over subsequent years.
- The Trust is likely to incur further future staff costs under increases to the living wage and nationally agreed increases to pay scales and employer pension rates.
- The National Funding Formula and future changes are difficult to accurately forecast in future years
- The effects of Brexit and/or a change in government could also affect the cost of goods and services during this period of uncertainty.

A full review of risks faced by the Trust has just been undertaken. Risks are grouped into Strategic/Reputational, Financial, Compliance, and Operational and are reported to the Audit and Risk Committee.

Fundraising

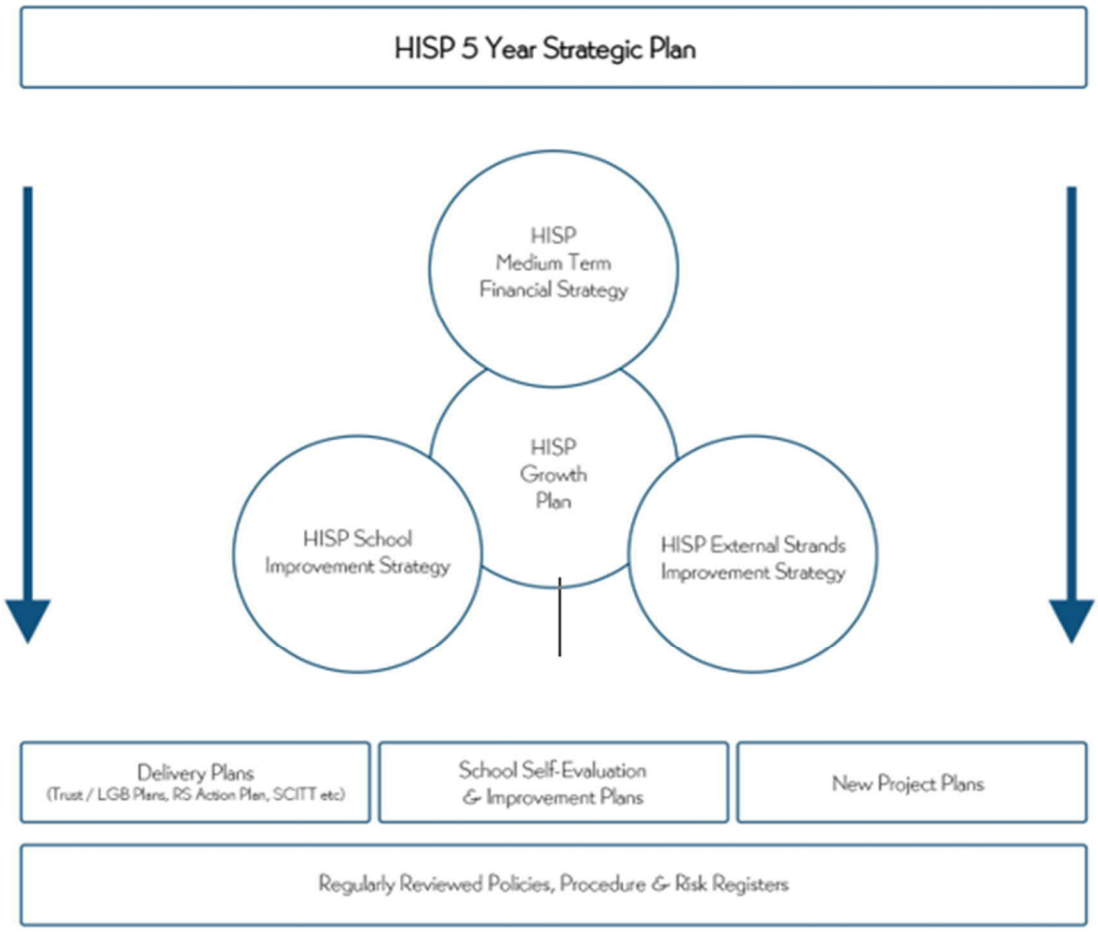
As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through sponsored events, cake sales, non-uniform days etc. The Academy Trust raises funds in order to support its own operations and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

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

Plans for Future Periods

The HISP Multi Academy Trust Board has agreed the following key business objectives of HISP which will steer our growth and development over the next 5 years. These are:

- Increasing the quality of provision in all of our schools;
- Ensuring a financially viable and sustainable Multi Academy Trust.
- Sponsoring and improving schools in need of help and support;
- Strengthening current partnerships (RSC, DfE, EEF, Maths Hub, TSC, etc.) and developing new ones;
- Being accredited as a Teaching School Hub;



HISP Multi Academy Trust Limited

Trustees' Report

Funds Held as Custodian Trustee on Behalf of Others

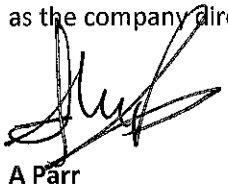
The Trust does not hold funds on behalf of others. The trading subsidiary Thornden School Services Ltd holds a balance of £4,816 for the Thornden Community Choir and £1,717 for the Thornden Community Wind Band.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 23 November 2020 and signed on the board's behalf by:



A Parr
Chair of Trustees

HISP Multi Academy Trust Limited
Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between HISP Multi Academy Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Parr	8	8
E Challand	6	7
M Collings	2	2
K Graham	1	1
A Hunter	8	8
P Sampson	8	8
S Whelan	8	8

A Langran attended 4 out of 6 Trustee meetings as advisor to the Board

The Audit and Risk committee is a sub-committee of the main board of Trustees. Its purpose is to direct the Trust's programme of internal scrutiny, ensures that risks are being addressed appropriately through internal scrutiny and report to the Board on the adequacy of the Trust's internal control framework.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L Challand	2	2
A Hunter	2	2
P Sampson	2	2
S Whelan (in attendance)	2	2

Governance (continued)

Prior to the review of the governance structure in December 2019, there was an Audit and Finance Committee which met two times during the year. Attendance at the meeting in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Crouch	2	2
P Sampson	2	2
T Ricketts	2	2
L Fogleton-Peaston	2	2

Review of Value for Money

As Accounting Officer the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of 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:

- Moving away from the Hampshire County Council Property Services Joint Working Agreements and engaging with Corrigenda for term maintenance following a tender process in collaboration with other local schools
- Re-tendering for cleaning services in collaboration with a group of other Academy Trusts
- Evaluating staff resource within the schools to ensure the curriculum is delivered in a cost-effective way

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in HISP Multi Academy Trust Limited for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees appointed Hopper Williams & Bell Limited, the external auditor, to perform additional checks. From September 2020, as a result of changes to the FRC's Ethical Standard, the Trust has decided to appoint a new external provider who will be engaged in line with the Academies Financial Handbook.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of compliance with the Academies Financial Handbook

On a bi-annual basis, the auditor reports to the Board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. This schedule of work was impacted by Coronavirus lockdown this year and the scheduled audit visits were cancelled.

HISP Multi Academy Trust Limited

Governance Statement

Review of Effectiveness

As Accounting Officer the Chief Executive 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 external auditor
- the financial management and governance self-assessment process and the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer will be advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and a plan to address weaknesses if applicable and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 23 November 2020 and signed on its behalf by:

A Parr
Chair of Trustees

S Whelan
Accounting Officer

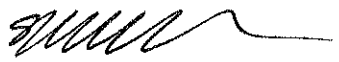
HISP Multi Academy Trust Limited

Statement of Regularity, Propriety and Compliance

As Accounting Officer of HISP Multi Academy Trust Limited I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



S Whelan
Accounting Officer
23 November 2020

HISP Multi Academy Trust Limited

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 group and charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 23 November 2020 and signed on its behalf by:

A Parr
Chair of Trustees

HISP Multi Academy Trust Limited

Independent Auditor's Report on the Financial Statements to the Members of HISP Multi Academy Trust Limited

Opinion

We have audited the financial statements of HISP Multi Academy Trust Limited ('the parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities (including the Income and Expenditure Account), the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

HISP Multi Academy Trust Limited

Independent Auditor's Report on the Financial Statements to the Members of HISP Multi Academy Trust Limited

Responsibilities of the Trustees

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

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

Our responsibilities for the audit of the financial statements

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

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 Report of Independent Auditors.

Use of our report

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

RA Hurst

RA Hurst (Dec 14, 2020 15:25 GMT)

R Hurst FCA (Senior statutory auditor)
For and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 14/12/2020

HISP Multi Academy Trust Limited

Independent Reporting Accountant's Assurance Report on Regularity to HISP Multi Academy Trust Limited and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 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 HISP Multi Academy Trust Limited during the period 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 the governing body and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to HISP Multi Academy Trust Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the HISP Multi Academy Trust Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of HISP Multi Academy Trust Limited's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of HISP Multi Academy Trust Limited's funding agreement with the Secretary of State for Education dated 12 December 2019 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

HISP Multi Academy Trust Limited

Independent Reporting Accountant's Assurance Report on Regularity to HISP Multi Academy Trust Limited and the Education & Skills Funding Agency

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

HISP Multi Academy Trust Limited

Independent Reporting Accountant's Assurance Report on Regularity to HISP Multi Academy Trust Limited and the Education & Skills Funding Agency

Conclusion

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

RA Hurst

RA Hurst (Dec 14, 2020 15:25 GMT)

R Hurst FCA
Reporting Accountant
Hopper Williams & Bell Limited
Chartered Accountants
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 14/12/2020

HISP Multi Academy Trust Limited

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

	Note	Un-restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2019/20 Total £	2018/19 Total £
Income and endowments from:							
Donations and capital grants	2	-	24,029	-	1,099,072	1,123,101	125,630
Transfer of existing academy joining the trust		515,264	351,596	(3,145,000)	4,223,417	1,945,277	-
Charitable activities:							
Funding for the academy trust's educational operations	3	-	10,098,383	-	-	10,098,383	8,525,031
Teaching schools	31	-	314,104	-	-	314,104	415,851
Other trading activities	4	163,100	-	-	-	163,100	251,964
Investments	5	7,772	-	-	-	7,772	4,839
Total		686,136	10,788,112	(3,145,000)	5,322,489	13,651,737	9,323,315
Expenditure on:							
Raising funds	6	73,567	-	-	-	73,567	136,746
Charitable activities:							
Academy trust educational operations	7	4,840	9,884,748	401,000	434,571	10,725,159	8,961,993
Teaching school	31	-	379,438	-	-	379,438	476,254
Other:							
Total		78,407	10,264,186	401,000	434,571	11,178,164	9,574,993
Net income / (expenditure)		607,729	523,926	(3,546,000)	4,887,918	2,473,573	(251,678)
Transfers between funds	19	10,668	(42,945)	-	32,277	-	-
Other recognised gains / (losses):							
Actuarial losses on defined benefit pension schemes	28	-	-	(109,000)	-	(109,000)	(802,000)
Net movement in funds		618,397	480,981	(3,655,000)	4,920,195	2,364,573	(1,053,678)
Reconciliation of funds							
Total funds brought forward		508,987	367,101	(2,669,000)	14,477,386	12,684,474	13,738,152
Total funds carried forward		1,127,384	848,082	(6,324,000)	19,397,581	15,049,047	12,684,474

The notes on pages 29 to 56 form part of these financial statements.

HISP Multi Academy Trust Limited

Group and Academy Balance Sheets as at 31 August 2020

Company Number 07562918

	Note	Group		Academy	
		2020	2019	**2020**	2019
		£	£	**£**	£
Fixed assets					
Tangible assets	12	**18,353,133**	14,441,676	**18,353,133**	14,441,676
Investments	13	**-**	-	**1**	1
		18,353,133	14,441,676	**18,353,134**	14,441,677
Current assets					
Stock	14	**2,573**	1,050	**1,020**	-
Debtors	15	**1,225,239**	223,086	**1,218,921**	205,813
Investments	16	**-**	1,000,000	**-**	1,000,000
Cash at bank and in hand		**2,845,976**	703,566	**2,691,226**	513,876
		4,073,788	1,927,702	**3,911,167**	1,719,689
Liabilities					
Creditors: Amounts falling due within one year	17	**(855,625)**	(758,579)	**(783,448)**	(681,860)
Net current assets		**3,218,163**	1,169,123	**3,127,719**	1,037,829
Total assets less current liabilities		**21,571,296**	15,610,799	**21,480,853**	15,479,506
Creditors:					
Amounts falling due after more than one year	18	**(198,249)**	(257,325)	**(198,249)**	(257,325)
Net assets excluding pension liability		**21,373,047**	15,353,474	**21,282,604**	15,222,181
Defined benefit pension scheme liability	28	**(6,324,000)**	(2,669,000)	**(6,324,000)**	(2,669,000)
Total net assets		**15,049,047**	12,684,474	**14,958,604**	12,553,181
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	19	**19,397,581**	14,477,386	**19,397,582**	14,477,386
Restricted income fund	19	**848,082**	367,101	**848,082**	367,101
Pension reserve	19	**(6,324,000)**	(2,669,000)	**(6,324,000)**	(2,669,000)
Total restricted funds		**13,921,663**	12,175,487	**13,921,664**	12,175,487
Unrestricted income funds	19	**1,127,384**	508,987	**1,036,940**	377,694
Total funds		**15,049,047**	12,684,474	**14,958,604**	12,553,181

The financial statements on pages 26 to 56 were approved by the trustees and authorised for issue on 23 November 2020 and are signed on their behalf by:

A Parr
Chair of Trustees

The notes on pages 29 to 56 form part of these financial statements.

HISP Multi Academy Trust Limited

Consolidated Statement of Cash Flows for the year ended 31 August 2020

	Note	2020	2019
		£	£
Cash flows from operating activities			
Net cash provided by (used in) operating activities	23	1,175,868	228,174
Cash flows from investing activities	24	966,542	(1,088,328)
Change in cash and cash equivalents in the reporting period		2,142,410	(860,154)
Cash and cash equivalents at 1 September 2019		703,566	1,563,720
Cash and cash equivalents at 31 August 2020	25	2,845,976	703,566

1 Accounting policies

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

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

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.

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 there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- 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.

Income (continued)

- 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'.

- Transfer of existing academies into the academy trust
  Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

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 £2,500 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.

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

Leasehold Land and Buildings	Shorter of 50 years straight line or length of lease
Leasehold Improvements	15 and 50 years - straight line
Furniture and Equipment	3 and 7 years - straight line
Computer Equipment	3 years - straight line
Motor Vehicles	5 years - straight line

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

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

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
The academy's shareholding in the wholly owned subsidiary, Thornden School Services Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

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 15. Prepayments are not financial instruments. Amounts due from the charity's wholly owned subsidiary are held at face value less any impairment.

Current asset investments
Current asset investments comprise fixed term bank deposits. These investments are classified as a basic financial instrument and are measured at amortised cost.

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

Financial liabilities
Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due from the charity's wholly owned subsidiary are held at face value less any impairment.

Stock
Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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.

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.

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 Department for Education Group.

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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assumptions used are disclosed in note 28.

Critical areas of judgement
There are no other critical areas of judgement.

2 Donations and capital grants

	Unrestricted funds	Restricted funds	2019/20 Total	2018/19 Total
	£	£	£	£
Capital grants	-	1,099,072	1,099,072	100,644
Other donations	-	24,029	24,029	24,986
	-	1,123,101	1,123,101	125,630
Total 2019	-	125,630	125,630	

3 Funding for the Academy Trust's educational operations

	Unrestricted funds	Restricted funds	2019/20 Total	2018/19 Total
	£	£	£	£
DfE / ESFA grants				
General Annual Grant (GAG)	-	7,608,360	7,608,360	6,672,308
Pupil Premium	-	91,940	91,940	96,447
Other DfE Group grants	-	609,892	609,892	79,546
ITT Bursaries Grants	-	787,986	787,986	735,877
Teaching School Grants	-	314,104	314,104	415,851
	-	9,412,282	9,412,282	8,000,029
Other Government grants				
Local authority grants	-	58,872	58,872	45,591
Other income from the academy trust's educational operations				
Trip income	-	116,175	116,175	238,284
Tuition fee income	-	119,422	119,422	196,218
Other income	-	705,736	705,736	460,760
	-	941,333	941,333	895,262
	-	10,412,487	10,412,487	8,940,882
Total 2019	27,533	8,913,349	8,940,882	

4 Other trading activities

	Unrestricted funds	Restricted funds	2019/20 Total	2018/19 Total
	£	£	£	£
Hire of facilities	79,064	-	79,064	116,008
Ticket sales	39,812	-	39,812	81,635
Other trading income	44,224	-	44,224	54,321
	163,100	-	163,100	251,964
Total 2019	251,964	-	251,964	

5 Investment income

	Unrestricted funds	Restricted funds	2019/20 Total	2018/19 Total
	£	£	£	£
Short term deposits	7,772	-	7,772	4,839
Total 2019	4,839	-	4,839	

6 Expenditure

		Non Pay Expenditure		Total	Total
	Staff costs	Premises	Other	2019/20	2018/19
	£	£	£	£	£
Expenditure on raising funds	12,664	-	60,903	73,567	136,746
Academy's educational operations:					
Direct costs	5,771,478	-	1,665,814	7,437,292	6,288,179
Allocated support costs	1,822,534	1,116,818	348,515	3,287,867	2,673,814
Teaching School	2,803	-	376,635	379,438	476,254
	7,609,479	1,116,818	2,451,867	11,178,164	9,574,993
Total 2019	6,434,543	674,195	2,466,255	9,574,993	

Net income/(expenditure) for the period includes:

	2019/20	2018/19
	£	£
Operating lease rentals	15,560	24,998
Depreciation	345,418	324,921
Fees payable to auditor for:		
Audit	10,300	10,035
Other services	8,540	8,360

7 Charitable activities

	2019/20 Total	2018/19 Total
	£	£
Direct costs	7,816,730	6,764,433
Support costs	3,287,867	2,673,814
	11,104,597	9,438,247

Analysis of support costs:

	Educational operations	2019/20 Total	2018/19 Total
	£	£	£
Support staff costs	1,822,534	1,822,534	1,711,917
Depreciation	62,578	62,578	52,733
Technology costs	78,555	78,555	56,501
Premises costs	1,116,818	1,116,818	674,195
Legal costs - other	4,230	4,230	754
Other support costs	177,814	177,814	160,082
Governance costs	25,338	25,338	17,632
Total support costs	3,287,867	3,287,867	2,673,814
Total 2019	2,673,814	2,673,814	

Premises costs includes £89,153 (2019: £nil) in respect of expenditure on capital projects, which were funded by capital grants from the ESFA.

8 Staff

a) Staff costs

Staff costs during the period were:

	2019/20	2018/19
	£	£
Wages and salaries	5,440,918	4,798,940
Social security costs	547,066	483,786
Pension costs	1,600,987	1,133,817
	7,588,971	6,416,543
Agency staff costs	20,508	17,085
Staff restructuring costs	-	915
	7,609,479	6,434,543

Staff restructuring costs comprise:

Redundancy payments	-	915
	-	915

b) Staff numbers

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

	2019/20	2018/19
	No.	No.
Teachers	119	100
Administration and support	89	75
Management	3	7
	211	182

c) Higher paid staff

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

	2019/20	2018/19
	No.	No.
£60,001 - £70,000	1	2
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £470,881 (2019: £655,321).

9 Related Party Transactions – Trustees' remuneration and expenses

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

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

		2019/20	2018/19
		£000	£000
J Beckingham	Remuneration	5-10	25-30
(Staff trustee to 31 December 2019)	Employer's pension contributions paid	0-5	0-5
T Bevan	Remuneration	15-20	45-50
(Staff trustee to 31 December 2019)	Employer's pension contributions paid	0-5	5-10
L Fogleman-Peaston	Remuneration	15-20	45-50
(Staff trustee to 31 December 2019)	Employer's pension contributions paid	0-5	5-10
P Roberts	Remuneration	15-20	55-60
(Staff trustee to 31 December 2019)	Employer's pension contributions paid	0-5	5-10
S Whelan	Remuneration	110-115	100-105
(Staff trustee)	Employer's pension contributions paid	25-30	15-20

During the period ended 31 August 2020, travel and subsistence expenses totalling £281 were reimbursed or paid directly to one trustee (2019: £301 to three trustees).

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

11 Central Services

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

12 Tangible fixed assets

Group and Academy	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	16,410,826	2,220,289	952,220	5,000	19,588,335
Transfer of existing academy joining the trust	4,184,677	7,329	31,411	-	4,223,417
Acquisitions	-	-	33,458	-	33,458
At 31 August 2020	20,595,503	2,227,618	1,017,089	5,000	23,845,210
Depreciation					
At 1 September 2019	2,181,515	2,098,159	861,985	5,000	5,146,659
Charged in year	282,840	13,563	49,015	-	345,418
At 31 August 2020	2,464,355	2,111,722	911,000	5,000	5,492,077
Net book values					
At 31 August 2019	14,229,311	122,130	90,235	-	14,441,676
At 31 August 2020	18,131,148	115,896	106,089	-	18,353,133

13 Investments

	Academy	
	2019/20	2018/19
	£	£
Shares in group undertakings	1	1

The investment represents 100% of the ordinary share capital of Thornden School Services Limited, whose principal activity is to carry out trading activities in support of the academy.

14 Stock

	Group		Academy	
	2019/20	2018/19	2019/20	2018/19
	£	£	£	£
Uniform stocks	1,020	-	1,020	-
Other stocks	1,553	1,050	-	-
	2,573	1,050	1,020	-

15 Debtors

	Group		Academy	
	2019/20	2018/19	2019/20	2018/19
	£	£	£	£
Trade debtors	9,065	22,573	2,319	5,216
VAT recoverable	42,274	9,889	43,033	10,281
Prepayments and accrued income	1,173,900	190,624	1,173,569	190,316
	1,225,239	223,086	1,218,921	205,813

16 Current asset investments

	Group		Academy	
	2019/20	2018/19	2019/20	2018/19
	£	£	£	£
Bank deposits	-	1,000,000	-	1,000,000

17 Creditors: amounts falling due within one year

	Group		Academy	
	2019/20	2018/19	2019/20	2018/19
	£	£	£	£
Trade creditors	194,866	95,999	194,866	95,037
Other taxation and social security	175,746	116,289	175,746	116,289
Loans falling due within one year	33,242	33,242	33,242	33,242
Other creditors falling due within one year	199,582	113,374	199,582	113,374
Accruals and deferred income	252,189	399,675	180,012	323,918
	855,625	758,579	783,448	681,860

	Group		Academy	
	2019/20	2018/19	2019/20	2018/19
	£	£	£	£
Deferred income at 1 September 2019	344,203	338,264	272,136	269,513
Released from previous years	(344,203)	(338,264)	(272,136)	(269,513)
Resources deferred in the year	189,165	344,203	120,588	272,136
Deferred income at 31 August 2020	189,165	344,203	120,588	272,136

At the balance sheet date the academy trust was holding funds received in advance for school trips which relate to the forthcoming academic year. The academy trust was also holding funds in respect of the future maintenance of its tennis court, as follows:

	Group		Academy	
	2019/20	2018/19	2019/20	2018/19
	£	£	£	£
Brought forward	54,343	50,343	-	-
Contributions	4,000	4,000	-	-
Carried forward	58,343	54,343	-	-

18 Creditors: amounts falling due in greater than one year

	Group		Academy	
	2019/20	2018/19	2019/20	2018/19
	£	£	£	£
Loans falling due in greater than one year	110,750	143,992	110,750	143,992
Accruals and deferred income falling due after one year	87,499	113,333	87,499	113,333
	198,249	257,325	198,249	257,325

Included within other creditors falling due after more than one year are loans as follows:

1) £50,216 (2019: £70,302) Salix Finance loan which is repayable in 12 equal bi-annual installments from March 2018 to September 2023.

2) £60,534 (2019: £73,690) Condition Improvement Fund loan which is repayable in 96 equal monthly installments from September 2018 to August 2026.

Included within deferred income falling due after more than one year is £87,499 (2019: £113,333) in respect of deferred catering income from HC3S (Hampshire County Council Catering Services).

HISP Multi Academy Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

19 Funds

	Balance at 1 September 2019	Income	Expenditure	Transfers	Gains and losses	Balance at 31 August 2020
	£	£	£	£	£	£
Restricted general funds						
General Annual Grant (GAG)	187,661	7,608,360	(7,009,271)	(32,277)	-	754,473
Pupil premium	-	91,940	(91,940)	-	-	-
Other DfE Group grants	-	609,892	(609,892)	-	-	-
Schools Direct / SCITT	63,997	787,986	(786,204)	-	-	65,779
Teaching School Grants	103,832	314,104	(379,438)	(10,668)	-	27,830
Local authority grants	-	58,872	(58,872)	-	-	-
School Fund	11,611	-	(11,611)	-	-	-
Other educational activities	-	1,316,958	(1,316,958)	-	-	-
	367,101	10,788,112	(10,264,186)	(42,945)	-	848,082
Pension reserve	(2,669,000)	(3,145,000)	(401,000)	-	(109,000)	(6,324,000)
	(2,301,899)	7,643,112	(10,665,186)	(42,945)	(109,000)	(5,475,918)
Restricted fixed asset funds						
Fixed asset fund	14,441,676	4,223,417	(345,418)	33,458	-	18,353,133
ESFA capital grants (DFC)	35,710	28,924	(63,453)	(1,181)	-	-
ESFA capital grants (CIF)	-	1,070,148	(25,700)	-	-	1,044,448
	14,477,386	5,322,489	(434,571)	32,277	-	19,397,581
Total restricted funds	12,175,487	12,965,601	(11,099,757)	(10,668)	(109,000)	13,921,663
Total unrestricted funds	508,987	686,136	(78,407)	10,668	-	1,127,384
Total funds	12,684,474	13,651,737	(11,178,164)	-	(109,000)	15,049,047

19 Funds (continued)

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

General annual grant
This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

Other DfE/ESFA grants
This is funding received from the ESFA for specific purposes, for example pupil premium funding.

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

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

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

Other educational activities
This includes all other educational income/expenditure.

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

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

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

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

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

19 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2019/20	2018/19
	£	£
Thornden School	1,082,070	876,088
Portswood Primary School	686,036	-
Tanners Brook Primary School	207,360	-
Total before fixed assets and pension reserve	1,975,466	876,088
Restricted fixed asset fund	19,397,581	14,477,386
Pension reserve	(6,324,000)	(2,669,000)
Total	15,049,047	12,684,474

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excl. dep-reciation)	2019/20 Total	2018/19 Total
	£	£	£	£	£	£
Thornden School	5,272,947	1,772,366	1,722,011	1,422,545	10,189,869	9,250,072
Portswood Primary School	233,115	31,284	26,618	29,250	320,267	-
Tanners Brook Primary School	268,219	31,548	10,980	11,863	322,610	-
	5,774,281	1,835,198	1,759,609	1,463,658	10,832,746	9,250,072

19 Funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2019 £
Restricted general funds						
General Annual Grant (GAG)	-	6,672,308	(6,461,253)	(23,394)	-	187,661
Pupil premium	-	96,447	(96,447)	-	-	-
Other DfE Group grants	-	79,546	(79,546)	-	-	-
Schools Direct / SCITT	21,477	735,877	(693,357)	-	-	63,997
Teaching School Grants	166,801	388,318	(451,287)	-	-	103,832
Local authority grants	-	45,591	(45,591)	-	-	-
School Fund	26,515	18,652	(33,556)	-	-	11,611
Other educational activities	-	901,596	(901,596)	-	-	-
	214,793	8,938,335	(8,762,633)	(23,394)	-	367,101
Pension reserve	(1,546,000)	-	(321,000)	-	(802,000)	(2,669,000)
	(1,331,207)	8,938,335	(9,083,633)	(23,394)	(802,000)	(2,301,899)
Restricted fixed asset funds						
Fixed asset fund	14,678,269	-	(324,921)	88,328	-	14,441,676
ESFA capital grants (DFC)	-	100,644	-	(64,934)	-	35,710
	14,678,269	100,644	(324,921)	23,394	-	14,477,386
Total restricted funds	13,347,062	9,038,979	(9,408,554)	-	(802,000)	12,175,487
Total unrestricted funds	391,090	284,336	(166,439)	-	-	508,987
Total funds	13,738,152	9,323,315	(9,574,993)	-	(802,000)	12,684,474

20 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	18,353,133	18,353,133
Current assets	1,199,561	1,829,779	-	1,044,448	4,073,788
Current liabilities	(72,177)	(783,448)	-	-	(855,625)
Non-current liabilities	-	(198,249)	-	-	(198,249)
Pension scheme liability	-	-	(6,324,000)	-	(6,324,000)
Total net assets	1,127,384	848,082	(6,324,000)	19,397,581	15,049,047

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	14,441,676	14,441,676
Current assets	585,706	1,306,286	-	35,710	1,927,702
Current liabilities	(76,719)	(681,860)	-	-	(758,579)
Non-current liabilities	-	(257,325)	-	-	(257,325)
Pension scheme liability	-	-	(2,669,000)	-	(2,669,000)
Total net assets	508,987	367,101	(2,669,000)	14,477,386	12,684,474

21 Capital commitments

	2019/20	2018/19
	£	£
Contracted for, but not provided in the financial statements	970,963	-

22 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019/20	2018/19
	£	£
Amounts due within one year	12,660	15,134
Amounts due between one and five years	9,599	18,630
Amounts due after five years	9,612	11,412
	31,871	45,176

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

	2019/20	2018/19
	£	£
Net income / (expenditure) for the reporting period	2,473,573	(251,678)
Adjusted for:		
Depreciation	345,418	324,921
Defined benefit pension scheme cost less contributions payable	348,000	282,000
Defined benefit pension scheme finance cost	53,000	39,000
Transfer of existing academy joining the trust	(1,945,277)	-
Cash transferred on existing academy joining the trust	866,860	-
(Increase) / decrease in stocks	(1,523)	-
(Increase) / decrease in debtors	(1,002,153)	129,048
Increase / (decrease) in creditors	37,970	(295,117)
Net cash provided by Operating Activities	1,175,868	228,174

24 Cash flows from investing activities

	2019/20	2018/19
	£	£
Decrease / (increase) in current asset investments	1,000,000	(1,000,000)
Purchase of tangible fixed assets	(33,458)	(88,328)
Net cash provided by / (used in) investing activities	966,542	(1,088,328)

25 Analysis of cash and cash equivalents

	2019/20	2018/19
	£	£
Cash at bank and in hand	2,845,976	703,566

26 Analysis of changes in net debt

	At 1 September 2019	Cash flows	Acquisition/ disposal of subsidiaries	New finance leases	Other non-cash changes	At 31 August 2020
	£	£	£	£	£	£
Cash	703,566	2,142,410	-	-	-	2,845,976
Loans falling due within one year	(33,242)	-	-	-	-	(33,242)
Loans falling due after more than one year	(143,992)	33,242	-	-	-	(110,750)
Total	526,332	2,175,652	-	-	-	2,701,984

27 Members liability

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

28 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 by Hampshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £196,640 were payable to the schemes at 31 August 2020 (2019: £106,130) and are included within creditors.

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

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

Valuation of the Teachers' Pension Scheme
The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 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 employer's pension costs paid to TPS in the period amounted to £950,474 (2019: £584,462).

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

28 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 2020 was as follows:

	2020	2019
	£	£
Employer's contributions	280,000	256,000
Employees' contributions	90,000	73,000
	370,000	329,000

The agreed contribution rates for future years are 18.9% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions

	2020	2019
Rate of increase in salaries	3.3%	3.6%
Rate of increase for pensions in payment/inflation	2.3%	2.1%
Discount rate for scheme liabilities	1.7%	1.8%
Inflation assumption (CPI)	2.3%	2.1%

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

	2020	2019
Retiring today		
Males	23.0	23.1
Females	25.5	25.8
Retiring in 20 years		
Males	24.7	24.7
Females	27.2	27.6

28 Pension and similar obligations (continued)

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2020	2019
	£	£
Discount rate +0.1%	(336,000)	(139,000)
Discount rate -0.1%	336,000	142,000
Mortality assumption – 1 year increase	526,000	233,000
Mortality assumption – 1 year decrease	(511,000)	(231,000)

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

	2020	2019
	£	£
Equities	4,695,000	2,492,000
Property	497,000	298,000
Government bonds	1,606,000	853,000
Cash	132,000	79,000
Other	1,350,000	417,000
Total market value of assets	8,280,000	4,139,000

The actual return on scheme assets was £304,000 (2019: £228,000).

Amount recognised in the Statement of Financial Activities

	2019/20	2018/19
	£	£
Current service cost	628,000	370,000
Past service cost	-	168,000
Interest income	(86,000)	(108,000)
Interest cost	139,000	147,000
Total amount recognised in the SOFA	681,000	577,000

28 Pension and similar obligations (continued)

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

	2019/20	2018/19
	£	£
At 1 September	6,808,000	5,321,000
Transferred in on existing academies joining the academy trust	6,735,000	-
Current service cost	628,000	370,000
Interest cost	139,000	147,000
Employee contributions	90,000	73,000
Actuarial loss	327,000	922,000
Benefits paid	(123,000)	(193,000)
Past service cost	-	168,000
At 31 August	14,604,000	6,808,000

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

	2019/20	2018/19
	£	£
At 1 September	4,139,000	3,775,000
Transferred in on existing academies joining the academy trust	3,590,000	-
Interest income	86,000	108,000
Actuarial gain	218,000	120,000
Employer contributions	280,000	256,000
Employee contributions	90,000	73,000
Benefits paid	(123,000)	(193,000)
At 31 August	8,280,000	4,139,000

29 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

30 Transfer of existing academies into the academy trust

On 1 July 2020 Portswood Primary School and Tanners Brook Primary School transferred from Portswood Primary Academy trust to HISP Multi Academy Trust Limited. A summary of the assets and liabilities transferred is shown below:

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Tangible fixed assets	4,223,417	-	4,223,417
Stock	1,020	-	1,020
Debtors	261,170	-	261,170
Cash	780,752	-	780,752
Creditors: Amounts falling due within one year	(176,082)	-	(176,082)
Defined benefit pension scheme liability	(3,145,000)	-	(3,145,000)
	1,945,277	-	1,945,277

31 Teaching school trading account

	2019/20 £	2019/20 £	2018/19 £	2018/19 £
Income				
Other income	314,104		415,851	
Total Income		314,104		415,851
Expenditure				
Direct staff costs	2,803		145,213	
Other direct costs	376,635		331,041	
Total direct costs		379,438		476,254
Other costs	-		-	
Total other costs		-		-
Total Expenditure		379,438		476,254
Transfers between funds excluding depreciation		(10,668)		-
Surplus/(Deficit) from all sources		(76,002)		(60,403)
Teaching school balances at 1 September 2019		106,398		166,801
Teaching school balances at 31 August 2020		30,396		106,398
Represented by:				
Restricted funds		27,830		103,832
Unrestricted funds		2,566		2,566
		30,396		106,398