

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

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THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	Haileybury & Imperial Service College Mr M Gatenby Mr S D Boyden Mr M C Bishop Mr S A Westley
Trustees	Dr L Pugsley Mr I Richardson Mr R Matcham, Chair of Trustees Mr J Giesen Mr N Taylor Mr D McKendrick-Ness (resigned 31 August 2018) Mr S Boyden Mr D Kilgallon Mrs E Pope Mrs K Farrell-Hall (resigned 1 October 2017) Mr S Westley Mr M Radley (resigned 31 August 2018) Mr M Collier (appointed 1 September 2017) Mrs R Rissen (appointed 1 December 2017) Mr R Whitaker (appointed 1 September 2018) Mr S Campbell (appointed 13 October 2018)
Company registered number	09659808
Company name	The Haileybury Academy Trust
Principal and registered office	Haileybury Academy Trust Hertford Heath Hertford Hertfordshire SG13 7NU
Accounting Officer	Mr R Newman
Senior Leadership Team	Mr R Newman, Principal and Accounting Officer Ms K Just, Vice Principal Mrs M Goodes, Vice Principal Miss J Howard, Business Manager Mrs L Burke, Assistant Principal Mr B Walsh, Assistant Principal and Director of Sixth Form Mr N Megew, Assistant Principal
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Haileybury Academy Trust (the Charitable Company, the Trust or the Academy) for the year ended 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy School for pupils aged 11-19 serving a catchment area in Cheshunt. It has a pupil capacity of 1160 and had a roll of 873 in the 2018 school census.

Structure, Governance and Management

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Haileybury Academy Trust (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

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' and Officers' Indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. Parent Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for a minimum of 3 Trustees but shall not be subject to a maximum (minimum 2 Parent Trustees, 9 others).

As per the articles of association, article 57, the Principal is not considered a Trustee.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme of continued professional development led by School staff and links with a number of local training providers.

All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chairman of Trustees and Principal or Vice Principal. All Trustees are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees, with particular emphasis on the committee work that they will undertake.

All Trustees receive safeguarding training and hold a full Disclosure & Barring Service (DBS) Check. The Trust subscribes to Hertfordshire County Council's Governors Training Services whereby Governors can access a range of training covering their role as a Governor on a general and a specific level.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

The Board of Trustees, which meets on at least 3 occasions per year and each individual committee which meets at least 3 times per year, is responsible for the strategic direction of the Academy. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Principal with the School Improvement Partner, and reviews them.

The Principal is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Charitable Company. The Principal has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Principal manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help develop strategies for future development which are put to the Principal and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Principal to manage certain aspects of the Academy.

The Governing Body has overall responsibility for the operation of the Academy. There are a number of policies in place that codify the operation of the Academy and the delegation of responsibility from the Governing Body to the Finance & Resources Committee, the Education Committee, the Principal, the Business Manager and finally to other members of staff. The policies include the Schedule of Financial Delegation which outlines responsibility for key reports and actions and includes limits on expenditure authorisation, staff payments and staff structure alterations, the Procurement and Tendering Policy which covers purchasing across the Trust from day-to-day items to large contracts extending over 3-5 years and the Financial Procedures Manual which covers how the Academy's accounts are to be managed in some detail.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, Individual School Range (ISR), the pay scales for each role and the level of experience of each staff member, the ability to recruit and retain in post, all of which are in accordance with the Trust's Pay policy.

At the Academy the key personnel are deemed to be the Principal and the SLT members. The Principal's salary is set by the Governors in accordance with standard practice; the salary is established in a band of seven points within the school group size, as defined in the School Teachers' Pay and Conditions. The salary of the Vice Principals and Assistant Principals are set in accordance with the school group size and in relation to that of the Principal.

The Academy uses the pay scales as set down by The School Teachers' Pay & Conditions document annually for all teaching staff. Support staff pay scales are also linked to nationally agreed pay awards; the Hay or Green Book pay scales.

All amendments to key management's pay and remuneration is approved by the Finance & Resources committee and ratified by the Board of Trustees.

Trade Union Facility Time

The number of employees who were relevant union officials during the period was one. The full time equivalent number was also one.

The amount of time spent on facility time was between 1% and 50%.

£1,384 was spent on facility time, which is equivalent to 3% of the total pay bill of £54,811.

The amount of time spent on paid trade union activities, as a percentage of paid facility hours, was 2.52%

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with Haileybury and Imperial Service College, the Academy's sponsor, during the academic year in pursuit of its charitable activities.

Support is provided in a number of ways:

- Opportunities for Academy teaching staff to visit the Sponsor to develop their teaching and learning practice.
- Teaching staff from the Sponsor spend time at the Academy working with specific groups of students.
- Opportunities are given to groups of Academy students to spend time at the Sponsor focusing of specific areas of the curriculum.
- Hoddesdon and Broxbourne Settings Family Support Team (HABS)
- Youth Connexions (Information, advice and guidance for Students)

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 19.

Objectives, Strategies and Activities

During the year the School has worked towards these aims by:

- Ensuring ambition, clarity, good communication and consistency at all levels of leadership.
- Continuing to improve the quality of teaching and professional development across the School.
- Raising expectations of our students to rapidly accelerate their progress across the curriculum.
- Developing and embedding the learning culture at Haileybury Turnford with additional support from our sponsor, Haileybury and Imperial Service College.

The School's success in fulfilling its aims can be measured by:

- Year 11 outcomes - specifically outcomes in English and Mathematics at 4+ 5+ and 7+ in new GCSE examinations.
- improvements in Year 7-11 student attendance to 94.5% from 93.7% in 2016-17 and sustained reduction in persistent absence.
- Improvements in student attitudes, behaviour and engagement in lessons.
- Good progress and outcomes in the Sixth Form in the majority of A Level subjects and all vocational qualifications.
- Successful recruitment into key leadership and teaching posts, including at senior level.
- Embedding partnerships with our sponsor, including the Combined Cadet Force. Science and Sixth Form partnership work.

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of co-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

Specific achievements were as follows:

- Good matriculation rate to university and Advanced Level Apprenticeships, post Year 13.
- Improved GCSE outcomes in some subject areas - compared to predecessor school; above floor standards.
- Introduction of new trips and visits for students, including overseas trips, for example to the World War One Battlefields in Belgium and Ski Trip to Italy.
- Introduced Work Experience for Year 10 and Year 12 students, and careers networking events.
- When compared to their national counterparts, strong GCSE outcomes for Year 11 students with English as an Additional Language (EAL)
- Retained high quality teaching staff, and appointed new staff as necessary of a high calibre to replace staff leaving.

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2017 (based on the October 2016 census) were 889 against a forecast of 891.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2017/18 this was 75.2%. In the course of the year there was some staff restructuring and the costs are reflected in these figures. The Board of Trustees is confident that staffing levels are closely monitored to agreed full time equivalent and staffing structures all approved by the Board.

The Finance and Resources Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2018 the Trust received £5,475,899 of GAG and other income (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £5,564,856 on general running expenses (excluding depreciation) and transferred £10,803 to support capital new build and improvement projects on the School site. The Academy carry forward for 17/18 is £32,582 restricted funding and £193,995 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £814,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £193,995. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trustees have made a decision to hold other unrestricted funds of £193,995 to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds a balance for in year contingencies.

At 31 August 2018, the Trust's balance on restricted general funds (excluding pension reserve) is £32,582 and the balance on unrestricted funds is £193,995.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £540,457. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow through the Finance and Resources Committee.

Investment Policy

A Reserves and Investment Policy was approved by the Board of Trustees on 2 November 2015.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Surplus funds can be invested for up to six months in interest-bearing accounts with High Street Banks or Building Societies. Investments for longer than 6 months or in riskier vehicles require the approval in advance of the Finance & General Purposes Committee.

The Academy has no funds invested at the moment; the short term cash flow forecast for the next 6 months indicates that the level of surplus funds will be low. It should also be acknowledged that with current interest rates set the return on short-term investments is extremely low.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance & General Purposes meeting. The principal risks facing the Trust are outlined below; those facing the School at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

- Financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low.
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Academy Trust only held small fundraising events during the year including raising funds for a defibrillator to be held in school, Hertfordshire Domestic Abuse Helpline, Isabel Hospice, Dragons Den, Macmillan Cancer Research, BBC Children In Need, Save the Children and Children with Cancer. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Plans for Future Periods

Haileybury Turnford is a vibrant school, developing every aspect of the students' education.

- The School will make sure that each student has the opportunity to reach their potential, and can leave with the qualifications, skills and qualities they need for a successful life.
- The School will draw on Haileybury's 150 years of outstanding achievement, and combine that with Turnford's strong sense of community, to create an exceptional School.
- The School believes that excellent teaching, academic success, the best pastoral care and enriching co-curricular opportunities are hallmarks of an excellent School, and will mean the students thrive, flourish and succeed.
- Age and condition of the school buildings. The Academy is exposed to high operational costs and the risk of unexpected, unplanned maintenance costs. The Educational and Funds Agency (ESFA) has allocated funds to replace two blocks with a new block. It is anticipated that construction will commence in Autumn 2019.

Summary of Haileybury Turnford School Improvement Actions for 2018-19

To drive up standards and raise student outcomes in 2019 through these school improvement priorities, it is critical to ensure accountability at all levels – Classroom Teachers, Form Tutors, Year Achievement Coordinators, Subject Leaders, Faculty Leaders and the Senior Leadership Team; with the School held robustly to account by the Governing Body with the appropriate challenge and support.

1. Improve the quality of teaching, learning and assessment by ensuring that all teachers:
 - have consistently high expectations of all students;
 - use student information to plan learning that challenges students sufficiently, and set activities that match the varying needs and abilities of students; and
 - encourage high levels of numeracy and literacy, particularly in spelling, punctuation and grammar, across all subject areas.
2. Improve students' behaviour by ensuring that teachers manage behaviour consistently to reduce low-level disruption in classrooms, and to support students to develop respectful attitudes.
3. Improve the effectiveness of leadership and management by ensuring that:
 - all leaders reinforce the culture of high aspirations and expectations of staff and students;
 - all leaders take an active role in rigorously evaluating and improving the quality of teaching, learning and assessment across the school;
 - the use of assessment data helps all staff to understand whether students and groups of students are on track to achieve well so they can provide extra support to those falling behind;
 - outcomes for all students and for groups of students improve, particularly for disadvantaged students, students who have SEN and/or disabilities and students who have lower ability; and
 - standards rise rapidly in science, geography and history.
4. Improve the effectiveness of 16-19 programmes by ensuring that:
 - standards rise in A Level subjects for girls; and
 - standards securing a grade 4 in GCSE maths improve

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Funds Held as Custodian Trustee on Behalf of Others

The Academy does not hold funds on behalf of another charity or body. Where funds are received for a specific purpose eg Combined Cadet Force they are managed in a manner that ensures that there is a clear audit trail showing how the funds have been utilised.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 8 December 2018 and signed on the Board's behalf by:

**Mr R Matcham
Chair of Trustees**

THE HAILEYBURY ACADEMY TRUST

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 The Haileybury Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 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
Dr L Pugsley	4	4
Mr I Richardson	3	4
Mr R Matcham, Chair of Trustees	4	4
Mr J Giesen	4	4
Mr N Taylor	2	4
Mr D McKendrick-Ness	4	4
Mr S Boyden	0	0
Mr D Kilgallon	4	4
Mrs E Pope	3	4
Mrs K Farrell-Hall	0	0
Mr S Westley	4	4
Mr M Radley	4	4
Mr M Collier	3	4
Mrs R Rissen	2	3
Mr R Whitaker	0	0
Mr S Campbell	0	0

There have been no significant changes in the composition of the Board of Trustees. The main constraints discussed during the year were relating to the age and condition of the buildings which presents risk around increased maintenance costs and also financial constraints.

The full governing body and committee terms of reference were reviewed at the beginning of the year and amended where appropriate to reflect their scope and work.

The Finance and Resources Committee (F&RC) is a sub-committee of the main Board of Trustees. Its purpose is to address financial matters. There is no separate audit committee. The F&RC Committee will interrogate the accounts, meet the Auditors, request any changes that they consider to be reasonable and justifiable and then recommend to the Board of Trustees that the accounts are approved.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Bradley, Chair of Finance	5	5
Mr I Gaskell	4	5
Mr D McKendrick-Ness	3	5
Mrs E Pope	3	5
Mr R Matcham	5	5

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

1. Improving the quality of teaching and learning:
 - All staff have a focus on their students' progress through regular assessment and data analysis, enabling them to implement strategies to address progress when appropriate.
 - Appointed Directors of English, Maths and Science with responsibilities for standards in these core curriculum areas and with the expectation that they must work collaboratively to raise standards.
 - Appointed two Assistant Year Achievement Coordinators (KS3 and KS4) to work with Year Achievement Coordinators. Their roles include monitoring and supporting students, liaison with colleagues and parents and data analysis.
2. Maximising income generation:
 - Haileybury Turnford has been working in partnership with Schools Plus since 1 September 2017. They manage the hire of the Academy's facilities out of school hours on a revenue share basis. This generated an income of twenty thousand pounds for the School in the year.
3. Reviewing controls and managing risk through robust governance and oversight of the Academy's finances:
 - The risk register has been updated and addresses high level, strategic risks. The Finance & Resources and Education Committees review risks specific to their areas of responsibility at each meeting and the Governing Body reviews these and overarching strategic risks.
 - The Finance & Resources Committee has clear terms of reference which drive its interrogation of the financial reporting, examination of significant expenditure prior to contractual commitment and strategic planning and examination of long term forecasts.
 - The Academy reviewed its Reserves and Investment Policy in November 2015 and intends to act in line with the policy. The Trust does not have funds available for investment at the moment.
4. Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources:
 - The Academy reviews expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Academy Improvement Plan.
 - The Academy regularly benchmarks financial performance against other academy trusts to demonstrate that the Trust provides good value for money.
 - For purchases above £10,000, but below the tender limit, 3 quotes are required.
 - The Academy maximises its resources by its environmental policies. These include energy consumption, recycling and reducing waste and procurement.
5. Areas for Development:
 - To maximise income generation through increased lettings of the Academy.
 - To look for opportunities to obtain funds from external bodies in support of programmes to develop the teaching and learning opportunities and social and emotional development of the students.

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Haileybury Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific Internal Audit function and has appointed Y Dunne MA (Oxon) FCA as an internal auditor.

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

- cash management procedures.

There has been a gap in Internal Audit. Moving forward the Trust will ensure that visits occur on a termly basis.

The Internal Auditor has delivered their schedule of work planned promptly after their visit. There were no material issues raised. There are suggestions on how procedures might be improved and these are being reviewed internally with adjustments to the process.

REVIEW OF EFFECTIVENESS

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

- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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GOVERNANCE STATEMENT (continued)

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

Approved by the Board of Trustees and Accounting Officer on 8 December 2018 and signed on their behalf, by:

Mr R Matcham
Chair of Trustees

Mr R Newman
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Haileybury Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 2017.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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.

Mr R Newman
Accounting Officer

Date: 8 December 2018

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as Governors of The Haileybury Turnford School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 8 December 2018 and signed on its behalf by:

Mr R Matcham
Chair of Trustees

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE HAILEYBURY ACADEMY TRUST

OPINION

We have audited the financial statements of The Haileybury Academy Trust, (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE HAILEYBURY ACADEMY TRUST

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the 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 the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HAILEYBURY ACADEMY TRUST**

USE OF OUR REPORT

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

Gary Miller FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
12 December 2018

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 11 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Haileybury Academy Trust during the year 1 September 2017 to 31 August 2018 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 Haileybury Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Haileybury Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Haileybury Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE HAILEYBURY ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Haileybury Academy Trust's funding agreement with the Secretary of State for Education dated 27 August 2015, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 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 and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

12 December 2018

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	26,200	95,444	30,576	152,220	369,678
Charitable activities	3	196,790	5,056,461	-	5,253,251	5,495,031
Other trading activities	4	93,574	7,000	-	100,574	81,452
Investments	5	430	-	-	430	506
TOTAL INCOME		316,994	5,158,905	30,576	5,506,475	5,946,667
EXPENDITURE ON:						
Charitable activities		252,687	5,312,169	237,430	5,802,286	6,411,512
TOTAL EXPENDITURE	6	252,687	5,312,169	237,430	5,802,286	6,411,512
NET BEFORE TRANSFERS		64,307	(153,264)	(206,854)	(295,811)	(464,845)
Transfers between funds	15	-	(35,784)	35,784	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		64,307	(189,048)	(171,070)	(295,811)	(464,845)
Actuarial gains on defined benefit pension schemes	19	-	221,000	-	221,000	421,000
NET MOVEMENT IN FUNDS		64,307	31,952	(171,070)	(74,811)	(43,845)
RECONCILIATION OF FUNDS:						
Total funds brought forward		129,688	(813,370)	14,704,616	14,020,934	14,064,779
TOTAL FUNDS CARRIED FORWARD		193,995	(781,418)	14,533,546	13,946,123	14,020,934

THE HAILEYBURY ACADEMY TRUST

**(A Company Limited by Guarantee)
REGISTERED NUMBER: 09659808**

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		14,513,192		14,676,961
CURRENT ASSETS					
Debtors	13	119,072		282,983	
Cash at bank and in hand	18	540,457		585,578	
			<u>659,529</u>	<u>868,561</u>	
CREDITORS: amounts falling due within one year	14	(412,598)		(624,588)	
NET CURRENT ASSETS			<u>246,931</u>		<u>243,973</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,760,123</u>		<u>14,920,934</u>
Defined benefit pension scheme liability	19		(814,000)		(900,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>13,946,123</u></u>		<u><u>14,020,934</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	32,582		86,630	
Restricted fixed asset funds	15	14,533,546		14,704,616	
			<u>14,566,128</u>	<u>14,791,246</u>	
Restricted income funds excluding pension liability					
Pension reserve		(814,000)		(900,000)	
			<u>13,752,128</u>	<u>13,891,246</u>	
Total restricted income funds					
Unrestricted income funds	15		193,995		129,688
TOTAL FUNDS			<u><u>13,946,123</u></u>		<u><u>14,020,934</u></u>

The financial statements on pages 20 to 40 were approved by the Trustees, and authorised for issue, on 8 December 2018 and are signed on their behalf, by:

Mr R Matcham
Chair of Trustees

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	17	(9,767)	(17,562)
Cash flows from investing activities:			
Interest		430	506
Purchase of tangible fixed assets		(35,784)	(5,956)
Net cash used in investing activities		(35,354)	(5,450)
Change in cash and cash equivalents in the year		(45,121)	(23,012)
Cash and cash equivalents brought forward		585,578	608,590
Cash and cash equivalents carried forward	18	540,457	585,578

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Haileybury Academy Trust constitutes a public benefit entity as defined by FRS 102.

The Academy Trust's functional and presentational currency is Pounds Sterling.

1.2 Company status

The Academy Trust is a company limited by guarantee. The Members are named on page 1. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Academy Trust's registered office is Hertford Heath, Hertford, Hertfordshire SG13 7NV.

1.3 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.

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Going concern

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

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,500 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 incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/ Term Leasehold land	-	125 years
L/ Term Leasehold property	-	50 years
L/ Term Leasehold improvements	-	35 years
Furniture and fixtures	-	5 years
Plant and equipment	-	10 years
Motor vehicles	-	5 years

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

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.12 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 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. 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 instruments.

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

1.14 Pensions

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. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	26,200	49,563	-	75,763	72,896
Grants	-	45,881	-	45,881	-
Capital grants	-	-	30,576	30,576	296,782
	<u>26,200</u>	<u>95,444</u>	<u>30,576</u>	<u>152,220</u>	<u>369,678</u>
Total 2017	<u>-</u>	<u>72,896</u>	<u>296,782</u>	<u>369,678</u>	

THE HAILEYBURY ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,798,862	4,798,862	5,027,439
Other DfE/ESFA grants	-	257,599	257,599	294,850
	<u>-</u>	<u>5,056,461</u>	<u>5,056,461</u>	<u>5,322,289</u>
Other funding				
Catering income	196,790	-	196,790	172,742
	<u>196,790</u>	<u>-</u>	<u>196,790</u>	<u>172,742</u>
	<u>196,790</u>	<u>5,056,461</u>	<u>5,253,251</u>	<u>5,495,031</u>
	<u><u>196,790</u></u>	<u><u>5,056,461</u></u>	<u><u>5,253,251</u></u>	<u><u>5,495,031</u></u>
Total 2017	<u><u>172,742</u></u>	<u><u>5,322,289</u></u>	<u><u>5,495,031</u></u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	20,731	-	20,731	42,462
Other income generated	72,843	7,000	79,843	38,990
	<u>93,574</u>	<u>7,000</u>	<u>100,574</u>	<u>81,452</u>
	<u><u>93,574</u></u>	<u><u>7,000</u></u>	<u><u>100,574</u></u>	<u><u>81,452</u></u>
Total 2017	<u><u>81,452</u></u>	<u><u>-</u></u>	<u><u>81,452</u></u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	430	-	430	506
	<u>430</u>	<u>-</u>	<u>430</u>	<u>506</u>
	<u><u>430</u></u>	<u><u>-</u></u>	<u><u>430</u></u>	<u><u>506</u></u>
Total 2017	<u><u>506</u></u>	<u><u>-</u></u>	<u><u>506</u></u>	

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6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of Education:					
Direct costs	3,943,068	-	488,052	4,431,120	4,522,742
Support costs	463,735	531,888	375,543	1,371,166	1,888,770
	<u>4,406,803</u>	<u>531,888</u>	<u>863,595</u>	<u>5,802,286</u>	<u>6,411,512</u>
Total 2017	<u>4,474,684</u>	<u>923,549</u>	<u>1,013,279</u>	<u>6,411,512</u>	

In 2017, of total expenditure, £263,453 was to unrestricted funds, £5,609,599 was to restricted funds and £538,460 was to restricted fixed asset funds.

7. CHARITABLE ACTIVITIES

	2018 £	2017 £
Direct costs	4,432,530	4,522,742
Support costs	1,369,756	1,888,770
	<u>5,802,286</u>	<u>6,411,512</u>

Analysis of support costs	2018 £	2017 £
Support staff costs	463,735	557,289
Depreciation	199,553	269,333
Technology costs	47,795	30,228
Premises costs (excluding depreciation)	338,495	654,216
Other support costs	300,664	368,702
Governance costs	19,514	9,002
	<u>1,369,756</u>	<u>1,888,770</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned or leased by the Academy	199,553	269,333
Auditors' remuneration - audit	6,950	6,700
Auditors' remuneration - non audit	4,430	4,300
Operating lease rentals	13,550	8,750
	<u>224,483</u>	<u>349,113</u>

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9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	As restated 2017
	£	£
Wages and salaries	3,299,527	3,358,018
Social security costs	274,972	314,406
Pension costs	650,607	623,950
	<hr/>	<hr/>
	4,225,106	4,296,374
Supply teaching costs	160,729	169,810
Staff restructuring costs	20,968	8,500
	<hr/>	<hr/>
	4,406,803	4,474,684
	<hr/> <hr/>	<hr/> <hr/>
Staff restructuring costs comprise:		
Severance payments	20,968	8,500
	<hr/> <hr/>	<hr/> <hr/>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £20,968 (2016 - £8,500) to 2 employees (2017 - 1 employees). Individually, the payments were: £5,968 made on 15 November 2017 and £15,000 made on 30 March 2018. These payments were made after taking appropriate legal advice.

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	60	58
Admin & support	46	57
Management	7	7
	<hr/>	<hr/>
	113	122
	<hr/> <hr/>	<hr/> <hr/>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teaching	54	54
Admin & support	33	36
Management	7	7
	<hr/>	<hr/>
	94	97
	<hr/> <hr/>	<hr/> <hr/>

THE HAILEYBURY ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

d. Higher paid staff

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

	2018 No.	As restated 2017 No.
In the band £ 60,001 - £ 70,000	2	1
In the band £ 80,001 - £ 90,000	1	1

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by the Senior Leadership Team for their services to the Academy Trust was £575,479 (2017 - £544,853).

Included in the above are employer pension contributions of £70,258 (2017 - £66,159) and employer national insurance contributions of £54,124 (2017 - £51,086).

10. TRUSTEES' REMUNERATION AND EXPENSES

In the prior year, one Trustee was paid remuneration or received other benefits from an employment with the Academy Trust. The staff Trustee only received remuneration in respect of services they provided undertaking the role of staff member under their contracts of employment, and not in respect of their role as Trustee. The value of Trustee' remuneration and other benefits was as follows:

		2018 £	2017 £
K Farrell-Hall	Remuneration	Nil	0-5,000
	Pension contributions paid	Nil	0-5,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

As per the articles of association, the Principal is not considered a Trustee.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. TANGIBLE FIXED ASSETS

	L/term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2017	14,749,307	60,500	221,724	202,577	15,234,108
Additions	-	-	-	35,784	35,784
At 31 August 2018	<u>14,749,307</u>	<u>60,500</u>	<u>221,724</u>	<u>238,361</u>	<u>15,269,892</u>
Depreciation					
At 1 September 2017	235,722	24,200	158,426	138,799	557,147
Charge for the year	117,994	12,100	44,343	25,116	199,553
At 31 August 2018	<u>353,716</u>	<u>36,300</u>	<u>202,769</u>	<u>163,915</u>	<u>756,700</u>
Net book value					
At 31 August 2018	<u>14,395,591</u>	<u>24,200</u>	<u>18,955</u>	<u>74,446</u>	<u>14,513,192</u>
At 31 August 2017	<u>14,513,585</u>	<u>36,300</u>	<u>63,298</u>	<u>63,778</u>	<u>14,676,961</u>

13. DEBTORS

	2018 £	2017 £
Trade debtors	5,782	928
VAT recoverable	31,199	149,436
Prepayments and accrued income	82,091	132,619
	<u>119,072</u>	<u>282,983</u>

14. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	46,424	249,771
Other taxation and social security	81,630	81,171
16-19 bursary held	12,905	7,422
Other creditors	70,023	64,213
Accruals and deferred income	201,616	222,011
	<u>412,598</u>	<u>624,588</u>

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14. CREDITORS: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	56,939	36,256
Resources deferred during the year	49,313	56,939
Amounts released from previous years	(56,939)	(36,256)
	49,313	56,939
Deferred income at 31 August 2018	49,313	56,939

Deferred income as at 31 August 2018 comprises of trip income, School Games Organiser funding, rates grant for 2018/19 received in advance and catering income.

At the balance sheet date the Academy Trust was holding funds received of £12,905 (2017 - £7,422) on behalf of the ESFA for distribution to qualifying students aged between 16 and 19.

15. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	129,688	316,994	(252,687)	-	-	193,995
	129,688	316,994	(252,687)	-	-	193,995
Restricted funds						
General Annual Grant (GAG)	80,630	4,798,862	(4,811,126)	(35,784)	-	32,582
Other DfE/ESFA grants	-	257,599	(257,599)	-	-	-
Restricted donations	-	7,153	(7,153)	-	-	-
Other Government grants	6,000	45,881	(51,881)	-	-	-
Restricted trips	-	49,410	(49,410)	-	-	-
Pension reserve	(900,000)	-	(135,000)	-	221,000	(814,000)
	(813,370)	5,158,905	(5,312,169)	(35,784)	221,000	(781,418)
Restricted fixed asset funds						
Restricted fixed asset fund	14,676,961	-	(199,553)	35,784	-	14,513,192
Condition Improvement Funding (CIF)	27,655	10,803	(18,104)	-	-	20,354
Devolved Formula Capital (DFC) funding	-	19,773	(19,773)	-	-	-
	14,704,616	30,576	(237,430)	35,784	-	14,533,546
Total restricted funds	13,891,246	5,189,481	(5,549,599)	-	221,000	13,752,128
Total of funds	14,020,934	5,506,475	(5,802,286)	-	221,000	13,946,123

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS (continued)

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

Unrestricted funds

The unrestricted fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities.

General Annual Grant (GAG)

This represents funding from the ESFA to be used for the normal running costs of the Trust, including education and support costs.

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 2018.

Other DfE and ESFA

This represents non-GAG funding received from the DfE/ESFA which is restricted in nature, including Pupil Premium and Year 7 Catch-up.

Restricted trip donations

This represents contributions made by parents towards the running costs of trips for the pupils of the School and the associated costs.

Other government grants

This represents funding received from other government bodies, local and national, which are restricted in nature.

Pension reserve

This reserve represents the Academy Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund

Restricted fixed assets fund represents the value of fixed assets held in line with the charitable objectives of the Academy Trust. The transfers between funds represents additions purchased through GAG funding.

Condition improvement fund (CIF)

This represents a grant received toward a specific building or maintenance project. Any funds left unspent must be returned to the DfE.

Devolved Formula Capital (DFC) funding

This represents a grant toward the repair and maintenance of the Trust's buildings and assets.

Restricted donations

This fund largely represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the trips.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds	138,441	254,700	(263,453)	-	-	129,688
Restricted funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	£
General Annual Grant (GAG)	40,000	4,160,454	(4,113,868)	(5,956)	-	80,630
Other DfE/ESFA grants	-	1,161,835	(1,161,835)	-	-	-
Restricted donations	-	48,548	(48,548)	-	-	-
Other Government grants	145,000	-	(139,000)	-	-	6,000
Restricted trips	-	24,348	(24,348)	-	-	-
Pension reserve	(1,199,000)	-	(122,000)	-	421,000	(900,000)
	<u>(1,014,000)</u>	<u>5,395,185</u>	<u>(5,609,599)</u>	<u>(5,956)</u>	<u>421,000</u>	<u>(813,370)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	14,940,338	-	(269,333)	5,956	-	14,676,961
Condition Improvement Funding (CIF)	-	276,177	(248,522)	-	-	27,655
Devolved Formula Capital (DFC) funding	-	20,605	(20,605)	-	-	-
	<u>14,940,338</u>	<u>296,782</u>	<u>(538,460)</u>	<u>5,956</u>	<u>-</u>	<u>14,704,616</u>
Total restricted funds	<u>13,926,338</u>	<u>5,691,967</u>	<u>(6,148,059)</u>	<u>-</u>	<u>421,000</u>	<u>13,891,246</u>
Total of funds	<u>14,064,779</u>	<u>5,946,667</u>	<u>(6,411,512)</u>	<u>-</u>	<u>421,000</u>	<u>14,020,934</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	14,513,192	14,513,192
Current assets	193,995	445,180	20,354	659,529
Creditors due within one year	-	(412,598)	-	(412,598)
Provisions for liabilities and charges	-	(814,000)	-	(814,000)
	<u>193,995</u>	<u>(781,418)</u>	<u>14,533,546</u>	<u>13,946,123</u>

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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	14,676,961	14,676,961
Current assets	129,688	711,218	27,655	868,561
Creditors due within one year	-	(624,588)	-	(624,588)
Provisions for liabilities and charges	-	(900,000)	-	(900,000)
	<u>129,688</u>	<u>(813,370)</u>	<u>14,704,616</u>	<u>14,020,934</u>

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

	2018	2017
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(295,811)	(464,845)
Adjustment for:		
Depreciation charges	199,553	269,333
Dividends, interest and rents from investments	(430)	(506)
Decrease/(increase) in debtors	163,911	(44,536)
(Decrease)/increase in creditors	(211,990)	100,992
LGPS adjustment	135,000	122,000
Net cash used in operating activities	<u>(9,767)</u>	<u>(17,562)</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	540,457	585,578
Total	<u>540,457</u>	<u>585,578</u>

19. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £68,530 were payable to the schemes at 31 August 2018 (2017 - £64,243) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

19. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £ 351,217 (2017 - £359,143).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £232,000 (2017 - £222,000), of which employer's contributions totalled £187,000 (2017 - £179,000) and employees' contributions totalled £45,000 (2017 - £43,000). The agreed contribution rates for future years are 25.4% for employers and 5.5-12.5% for employees.

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

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19. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.50 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation assumption (RPI)	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	22.5	22.5
Females	24.9	24.9
Retiring in 20 years		
Males	24.1	24.1
Females	26.7	26.7

As at the 31 August 2018 the Trust had a pension liability of £814,000 (2017 - £900,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way:

Sensitivity movement	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(63,000)	(49,000)
Discount rate -0.1%	63,000	49,000
Mortality assumption - 1 year increase	121,000	18,000
Mortality assumption - 1 year decrease	(121,000)	(18,000)
CPI rate +0.1%	53,000	40,000
CPI rate -0.1%	(53,000)	(40,000)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	849,000	852,150
Other bonds	560,000	327,750
Property	128,000	91,770
Cash and other liquid assets	64,000	39,330
Total market value of assets	<u>1,601,000</u>	<u>1,311,000</u>

The actual return on scheme assets was £77,000 (2017 - £215,000).

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19. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Current service cost	(298,000)	(275,000)
Interest income	35,000	21,000
Interest cost	(59,000)	(47,000)
	<u>(322,000)</u>	<u>(301,000)</u>
Total	<u>(322,000)</u>	<u>(301,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	2,211,000	2,103,000
Current service cost	298,000	275,000
Interest cost	59,000	47,000
Employee contributions	45,000	43,000
Actuarial gains	(179,000)	(227,000)
Benefits paid	(19,000)	(30,000)
	<u>2,415,000</u>	<u>2,211,000</u>
Closing defined benefit obligation	<u>2,415,000</u>	<u>2,211,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,311,000	904,000
Interest income	35,000	21,000
Actuarial losses	42,000	194,000
Employer contributions	187,000	179,000
Employee contributions	45,000	43,000
Benefits paid	(19,000)	(30,000)
	<u>1,601,000</u>	<u>1,311,000</u>
Closing fair value of scheme assets	<u>1,601,000</u>	<u>1,311,000</u>

20. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	26,693	8,750
Between 1 and 5 years	69,546	2,800
	<u>96,239</u>	<u>11,550</u>
Total	<u>96,239</u>	<u>11,550</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

21. 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.

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Academy received services from the Haileybury and Imperial College, the Academy's sponsor, for the transportation of students. This total paid for this service was £1,625 (2017 - £NIL) and there was no balance outstanding at the year end.

A total of £25,000 (2017 - £45,000) was donated from the Haileybury and Imperial College, the Academy's sponsor. There were no restrictions placed upon this money.

The Academy received services from Mrs C Newman, the Accounting Officer's spouse, for marking of Year 11 mock exam papers. The total paid for these services was £225 (2017 - £NIL) and there was no outstanding balance at year end.

In entering into these transactions, the Trust has complied with the requirements of the Academies Financial Handbook.

23. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the Trust received £13,412 (2017 - £16,324) and disbursed £7,929 (2017 - £8,902) from the fund. An amount of £12,905 (2017 - £7,422) is included in other creditors relating to undistributed funds that is repayable to ESFA.