
HAYBROOK COLLEGE TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

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HAYBROOK COLLEGE TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr D Tottingham Mr S Elson Mrs H Huntley Mr A Brown
Trustees	Mr J Rockman, Chief Executive Mr D Tottingham, Chair Mrs J Rockall, Vice Chair Mr R Moreton Ms K Daniels, Staff Trustee Mrs A Bunce (appointed 12 February 2020) Ms L Docherty
Company registered number	09606079
Company name	Haybrook College Trust
Principal and registered office	112 Burnham Lane Slough Berkshire SL1 6LZ
Company secretary	Mr J Curzon
Senior management team	Mr J Rockman, Executive Headteacher Mrs S Kay, Deputy Headteacher Dr I Johnson, Deputy Headteacher Ms A Spires, Deputy Headteacher Mr J Curzon, Director of Finance Mrs C Goodridge, SENCO
Independent auditors	Landau Baker Limited Chartered Accountants Statutory Auditor Mountcliff House 154 Brent Street London NW4 2DR
Bankers	Lloyds Bank plc PO Box 100 Andover Hants BX1 1LT

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Solicitors

Winckworth Sherwood
Minerva House
5 Montagu Close
London
SE1 9BB

HAYBROOK COLLEGE TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Slough, Berkshire. All young people at the College have challenging behaviours as a result of a Social Emotional and Mental Health difficulty (SEMH). It has a capacity of 181 pupils (59 with EHC Plans and 122 in the Alternative Provision) for pre 16 pupils. In April 2020 post 16 provision was added to accommodate a further 24 pupils, 11 of which have EHCP's.

Structure, governance and management

a. Constitution

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

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- Trustees, appointed under Article 50; and
- The Chief Executive Officer;
- Any Executive Trustees; and
- A minimum of 2 Parent Trustees elected or appointed under Articles 53-56B

The term of office for any trustee is 4 years. The Executive Headteacher's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new trustees will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new trustees are asked to complete a skills audit that assists in their selection for committees. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. Organisational structure

The MAT has established a management structure to enable its efficient running. The structure consists of three levels: the Members and the Trustees at the MAT level and the executive who are the senior leadership team at the academy level. The Members fulfill the statutory obligations set out in the MAT funding agreement and articles of association. The Trustee Board has considered its role thoughtfully and decided that the role of the Trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The Trustee Board has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, and terms of reference. Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Executive Headteacher assumes the accounting officer role.

g. Arrangements for setting pay and remuneration of key management personnel

The Pay Policy is approved annually by the Trustee Board and the Finance, Audit & HR Committee approve pay progression during a remuneration committee meeting, which evaluates performance and pay progression. This meeting took place on 8th December 2020.

There is a separate panel who set targets and evaluate the performance of the Executive Headteacher. These meetings took place on 7th December 2020. The school's Performance Management (PM) policy and procedures are embedded across all provisions at the College.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

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

a. Objects and aims

Haybrook College Trust provides a flexible and creative range of education provisions in Slough for over 200 pupils, aged 11 – 19, who have been excluded or exclude themselves from local mainstream education. All the young people who attend the College have significant and complex Social Emotional and Mental Health difficulties (SEMH). The College includes a KS3 and KS4 Alternative Provision and an SEMH Special School. In September 2011 a post 16 provision, The Gateway, was successfully established through partnership working with Slough Pit Stop Project limited. This is targeted at young people with SEMH who have been, or who would become NEET if not for this provision and Haybrook College Trust was sub contracted to supply the educational aspect of the provision. In April 2020, this provision was brought in house to Haybrook College Trust.

The College also holds a contract with the Royal Borough of Windsor and Maidenhead to educate permanently excluded and medically vulnerable pupils. The current contract is for 30 pupils, some of whom are educated within the College and some who are placed in other educational provisions (all of which are Quality Assured by the College leadership). Over 40% of pupils at the College have a statement or an Education Health and Care Plan (EHCP) for SEMH, some with significant mental health issues and the majority are eligible for pupil premium. We also provide an education for young people with serious medical conditions via Wexham Park Hospital School room.

Almost all of the pupils at Haybrook College Trust arrive with attainment levels well below the national average and those entitled to Free School Meals is well above the national average. Deprivation factors play a significant

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

part in identifying needs with the majority of the College cohort coming from families identified by Slough Borough Council as 'Troubled Families'

The vision of the College is 'Inspiring and supporting young people to make positive choices about the future'. Despite the social, emotional and behavioural needs that our young people face, we continue to focus on learning. Offering opportunities to achieve a range of accreditations, including English and Maths as a priority. However, we also strive to ensure that we are preparing young people to make the successful transfer to Education, Employment or Training (EET). The success of the College lies in the delivery of personalised programmes that meet the learning needs of individual pupils or that re-engage young people in learning.

Haybrook College Trust lies at the heart of Slough's educational community and its development reflects the town's approach to inclusive education. The collegiate approach is reflected into the ongoing discussions around the High Needs Block and decisions pertinent to the commissioning of places at the College by the Local Authority and schools / academies. The successful implementation of 'top up' funding reflects the recognition that there needs to be a collective responsibility towards this cohort of young people.

Increasingly the College is being approached by schools and other Local Authorities for support or ideas about the development of local provision to meet the needs of a cohort of young people with increasingly complex SEMH. Particular interest is shown regarding Slough's low permanent and fixed term exclusion rates and the very small numbers of young people with SEMH being educated in Out of Borough (OOB) placements.

There is also interest in the effective development of a vocational curriculum offered by the College, which is accessible to young people across Slough (at the College or attending local mainstream schools) and in nearby Local Authorities. Each educational provision is managed by a Centre Manager. Flexible, personalised education programmes are successfully provided through small group teaching, using a team of teachers, tutors and highly skilled learning mentors and sports coach mentors (SCM). In this, the SCM role is a hugely important role and a range of professionals often visits the College keen to understand the structures and reasons it is working so effectively.

b. Public benefit

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Providing outreach support to local schools to ensure that Slough residents with Social Emotional and Mental Health difficulties are educated in their local schools.
- Working closely with Slough Pit Stop Project to support the creation of a vocational curriculum to which all young people from ages 14 – 19 can access through their education provision.
- Working closely with a range of local agencies to support Slough families in crisis.
- Raising money for local and national charities.
- Maximising the use of the College facilities for the benefit of the local community without detriment to the College or its site. To this end, groups and individuals may hire certain areas of the College's facilities for educational or sports activities or community use at a reduced rate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic Report

Achievements and Performance

a. Key Performance Indicators

Haybrook College Trust opened as an Alternative Provision Academy in January 2016. The Trust provides education for young people that are permanently excluded or at high risk of permanent exclusion and have a wide range of social, emotional and mental health difficulties. The Trusts last Ofsted inspection was September 2018 and were rated 'Outstanding' in all areas other than Teaching, Learning and Assessment for which we received a 'Good' rating.

Evaluation against 2019-20 development targets.

Outcomes

For 50% of Yr. 11s to leave the College with at least five GCSE or equivalents, 1 to 9 who have joined the College before Christmas 2019. 60% to achieve four and 75% to achieve 3.

Haybrook College Trust continues to offer an impressive range of qualifications including GCSE's in English language and Literature, Maths, Statistics and a range of Sciences. The Trust operates a 'stepping stones' approach to qualifications to ensure that as many young people as possible have the opportunity to sit qualifications at the appropriate level.

		FULL Cohort	86 Pupils	No Apollo	76 pupils	33 pupils
Target:	PASSES	Pupil number	Total Yr 11 %	Pupil number	Total % (no Apollo)	60%+ attendance
50%	5+	43	50	43	57	85
60%	4+	47	55	47	62	88
75%	3+	58	67	57	75	91
	2+	68	79	67	88	91
	1+	72	84	71	93	94

For all young people who have been at the College for at least two terms to leave with a nationally accredited English and maths qualification.

Despite our best efforts, not all students achieved a nationally accredited English and maths qualification. Once again, this reflects the professionalism of our staff who did not inflate grades and gave a true reflection of each student in their CAG. The efforts of staff to gain and support students at this time to engage with us cannot be undersold. As usual, Haybrook staff went above and beyond to help our learners through their continual communication and socially distanced visits. The 11 students who did not gain both E&M all had serious school attendance issues or were school refusers.

	FULL Cohort	86			No Apollo	76		
Target:	No. GCSE passes	GCSE %	No. Any Level	Any Pass E&M %	No. GCSE Passes	GCSE %	No. Any Level	Any Pass E&M %
E&M 100%	62	72	75	87	62	82	70	92

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic Report (continued)

Achievements and Performance (continued)

At least 80% of young people who complete an HPTC outreach course and 80% that attend a Momentum course, who have the option to return to mainstream school, maintain their place at their provision 2 terms post course.

The data below shows that the target of at least 80% of young people who completed an HPTC outreach course has been achieved with 94% still in their original placement.

	Number of pupils	% of total	Maintaining Provision after course (%)
Total of students from Mainstream Schools	18	90	17
Total of Permanently Excluded (PEX) students	2	10	
Total of students on course	20	100 %	94%

To achieve 85% EET by February 2020 for those pupils that have made expected progress.

Currently 87% of learners are EET. Those who are not all have plans and key workers in place. Over the summer, Haybrook funded two programmes of support: 10-week course run by Toolshed for any students at great risk of EET; and a 4-week internal programme for those who were uncertain of taking up their places. Both programmes have been very successful. This year we intend to access the government AP transition fund for this. We intend to repeat this next year.

Progress

Increase the level of challenge for pupils so that 85% of young people in KS4 to achieve at least their expected level of progress in English and Maths. 75% at KS3.

This target was partially met. Consideration need to be given to the relative start dates of the cohort at Haybrook College Trust. As pupils' points of entry vary due to the nature of our service it is possible that a number of students joined after the assessment data point.

	KS3	KS4
	Target 75%	Target 85%
Eng %	87	82
Maths %	73	86

b. Going concern

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic Report (continued)

Financial review

a. Review of activities

During the period, ESFA/LA grants received totaled to £5,894K. Other income included within restricted funds totaled to £127K. Restricted fund expenditure totaled to £6,014K.

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA and the Local Authority during the 12 month period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2019), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

b. Reserves policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use.

Reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review at each Board meeting and aim to build and maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £3,617K This balance includes unrestricted funds of £13K,

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

which is considered appropriate for the Academy Trust, and restricted funds of £3,604K, which includes restricted fixed asset funds of £7,052K and a pension deficit of £3,957K.

Users should note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

c. Investment policy

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Trustee board. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2020, no investments were held.

d. Principal risks and uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2020. 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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The academy does not engage in any specific fundraising activities.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 28 January 2021 and signed on its behalf by:

Mr D Tottingham
Chair of Trustees

HAYBROOK COLLEGE TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 Haybrook College 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 5 times during the 12 month period.

Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Rockman, CEO, Accounting Officer	5	5
D Tottingham, Chair	5	5
J Rockall	3	5
R Moreton	5	5
A Bunce	3	4
K Daniels, Staff Trustee	5	5
L Docherty	4	5

Trustees typically also serve on a number of other sub committees, as set out on the school website.

The impact of each Board of Trustees Committee is reviewed and monitored via the Headteacher's report. The Trustees also intend to perform a self-evaluation review of governance in the coming year.

Key findings noted, actions taken and their impact are noted below:

- o Haybrook College Trust are aiming to recruit more Trustees and a further Member once a skills audit has been performed – this has been delayed due to the uncertainty of the current situation
- o The Board have appointed an external organisation to conduct an Internal Scrutiny review of all areas including governance. This replaces the Internal Audit Report, as per DfES guidance from the Academies Financial Handbook. The full audit report did not identify any governance weaknesses.

The Finance, Audit & Risk Committee is a subcommittee of the main Trustee Board. Its purpose is to:

- o Monitor the integrity of the financial statements.
- o Review internal financial controls and review the Academy's internal control and risk management systems.
- o Make recommendations to the Trustee Board in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor.
- o Review the auditor's independence and objectivity, and
- o Ensure the Academy is following the EFSA's financial regulations.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

No significant issues to note were dealt with during the period.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Tottingham (Chair)	5	5
J Rockman (CEO, Accounting Officer)	5	5
L Docherty	4	5
R Moreton	5	5
J Curzon (Company Secretary)	5	5

Review of value for money

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

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

- o Regular auditing of staffing
- o Re-tender of cleaning & ICT contracts
- o Energy costs – tied in to fixed contract.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Haybrook College Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy 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 academy's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The academy'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:

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

From September 2020 the Trustee Board have appointed Anwar Shafiq to carry out an internal scrutiny programme. This service will be provided for both financial and non-financial practices. Landau Baker will continue to do the audit.

The Internal Scrutiny Partner role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems and Governance. In particular; the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/ bank reconciliations

On an annual basis, the internal auditor will report to the Board of Trustees through the Finance, Audit & HR Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Trustees will consider the information on a termly basis and make amendments on the future areas to be audited linked to the Risk Register.

The Board can confirm that the Landau Baker, the auditor, has delivered their schedule of work as planned, provided details of any material control issues arising as a result of the their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

Review of effectiveness

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

- the work of the Internal Scrutiny Partner;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the senior leadership team within the academy who have the responsibility for the development and maintenance of the internal control framework.

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

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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 28 January 2021 and signed on their behalf by:

Mr D Tottingham
Chair of Trustees

Mr J Rockman
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Haybrook College Trust, I have considered my responsibility to notify the academy 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, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

Mr J Rockman
Accounting Officer
Date: 28 January 2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

Company law requires the Trustees to prepare financial statements for each financial . 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 28 January 2021 and signed on its behalf by:

Mr D Tottingham
Chair of Trustees

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HAYBROOK COLLEGE TRUST**

Opinion

We have audited the financial statements of Haybrook College Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 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'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.

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HAYBROOK COLLEGE TRUST (CONTINUED)**

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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HAYBROOK COLLEGE TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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'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 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.

Use of our report

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

Carly Pinkus (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

28 January 2021

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HAYBROOK COLLEGE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 May 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Haybrook College Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Haybrook College Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Haybrook College Trust's funding agreement with the Secretary of State for Education dated 23 May 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HAYBROOK COLLEGE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 28 January 2021

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	6,095	-	8,354	14,449	27,584
Charitable activities		-	5,894,421	-	5,894,421	5,470,267
Other trading activities		-	126,275	-	126,275	165,317
Investments	6	257	-	-	257	128
Total income		6,352	6,020,696	8,354	6,035,402	5,663,296
Expenditure on:						
Charitable activities	8	-	6,013,701	130,561	6,144,262	5,837,995
Total expenditure		-	6,013,701	130,561	6,144,262	5,837,995
Net movement in funds before other recognised gains/(losses)		6,352	6,995	(122,207)	(108,860)	(174,699)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(719,000)	-	(719,000)	(633,000)
Net movement in funds		6,352	(712,005)	(122,207)	(827,860)	(807,699)
Reconciliation of funds:						
Total funds brought forward		6,649	(2,735,693)	7,173,778	4,444,734	5,252,433
Net movement in funds		6,352	(712,005)	(122,207)	(827,860)	(807,699)
Total funds carried forward		13,001	(3,447,698)	7,051,571	3,616,874	4,444,734

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 48 form part of these financial statements.

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09606079

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	7,046,922	7,150,044
		<u>7,046,922</u>	<u>7,150,044</u>
Current assets			
Debtors	15	80,402	36,217
Cash at bank and in hand		623,597	378,377
		<u>703,999</u>	<u>414,594</u>
Creditors: amounts falling due within one year	16	(177,047)	(221,904)
		<u>526,952</u>	<u>192,690</u>
Net current assets		<u>526,952</u>	<u>192,690</u>
Total assets less current liabilities		<u>7,573,874</u>	<u>7,342,734</u>
Defined benefit pension scheme liability	24	(3,957,000)	(2,898,000)
Total net assets		<u><u>3,616,874</u></u>	<u><u>4,444,734</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	7,051,571	7,173,778
Restricted income funds	18	509,302	162,307
		<u>7,560,873</u>	<u>7,336,085</u>
Restricted funds excluding pension deficit	18	7,560,873	7,336,085
Pension reserve	18	(3,957,000)	(2,898,000)
		<u>3,603,873</u>	<u>4,438,085</u>
Total restricted funds	18	<u>3,603,873</u>	<u>4,438,085</u>
Unrestricted income funds	18	<u>13,001</u>	<u>6,649</u>
Total funds		<u><u>3,616,874</u></u>	<u><u>4,444,734</u></u>

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09606079

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue on 28 January 2021 and are signed on their behalf, by:

Mr D Tottingham
Chair of Trustees

The notes on pages 27 to 48 form part of these financial statements.

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	264,305	396,657
Cash flows from investing activities	21	(19,085)	23,734
Change in cash and cash equivalents in the year		245,220	420,391
Cash and cash equivalents at the beginning of the year		378,377	(42,014)
Cash and cash equivalents at the end of the year	22, 23	<u>623,597</u>	<u>378,377</u>

The notes on pages 27 to 48 form part of these financial statements

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

• **Donations**

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

1.4 Expenditure

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

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

Freehold property	- 2% straight line basis
Furniture and fixtures	- 25% straight line basis
Computer equipment	- 33.33% straight line basis

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.

1.6 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.

1.7 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.

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 Liabilities

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Pensions

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

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

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.10 Pensions (continued)

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.11 Fund accounting

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	6,095	-	6,095	1,390
Capital Grants	-	8,354	8,354	26,194
	<u>6,095</u>	<u>8,354</u>	<u>14,449</u>	<u>27,584</u>
<i>Total 2019</i>	<u>1,390</u>	<u>26,194</u>	<u>27,584</u>	

4. Funding for the academy's educational activities

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General annual grant	4,199,747	4,199,747	3,833,879
Other DfE/ESFA grants	84,085	84,085	77,625
	<u>4,283,832</u>	<u>4,283,832</u>	<u>3,911,504</u>
Other government grants			
Local authority grants	1,610,589	1,610,589	1,558,763
	<u>5,894,421</u>	<u>5,894,421</u>	<u>5,470,267</u>
<i>Total 2019</i>	<u>5,470,267</u>	<u>5,470,267</u>	

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Lettings income	8,107	8,107	14,211
Other income	118,168	118,168	151,106
	<u>126,275</u>	<u>126,275</u>	<u>165,317</u>
<i>Total 2019</i>	<u>165,317</u>	<u>165,317</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Bank interest	257	257	128
	<u>257</u>	<u>257</u>	<u>128</u>

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Educational Activities:					
Direct costs	2,797,929	-	605,647	3,403,576	3,082,605
Allocated support costs	1,955,643	269,002	516,041	2,740,686	2,755,390
Total 2020	<u>4,753,572</u>	<u>269,002</u>	<u>1,121,688</u>	<u>6,144,262</u>	<u>5,837,995</u>
<i>Total 2019</i>	<u>4,436,319</u>	<u>300,936</u>	<u>1,100,740</u>	<u>5,837,995</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational Activities	6,144,262	6,144,262	5,837,995
<i>Total 2019</i>	<u>5,837,995</u>	<u>5,837,995</u>	

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational Activities	3,403,576	2,740,686	6,144,262	5,837,995
<i>Total 2019</i>	<u>3,082,605</u>	<u>2,755,390</u>	<u>5,837,995</u>	

Analysis of direct costs

	Educational Activities 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	2,663,199	2,663,199	2,338,088
Educational consultancy	224,356	224,356	195,697
Technology costs	37,384	37,384	75,384
Educational supplies	270,605	270,605	215,757
Examination fees	29,522	29,522	36,523
Staff development and training	18,547	18,547	15,164
Teaching supply costs	134,730	134,730	153,597
Other direct costs	25,233	25,233	52,395
	<u>3,403,576</u>	<u>3,403,576</u>	<u>3,082,605</u>
<i>Total 2019</i>	<u>3,082,605</u>	<u>3,082,605</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Pension finance cost	53,000	53,000	49,000
Staff costs	1,763,469	1,763,469	1,806,897
Depreciation	130,561	130,561	122,612
Recruitment & support	18,557	18,557	25,443
Maintenance of premises	40,292	40,292	87,300
Rent and rates	40,844	40,844	32,873
Energy costs	75,918	75,918	51,866
Insurance	12,791	12,791	13,032
Security and transport	52,971	52,971	54,538
Catering	119,802	119,802	103,951
Cleaning	99,157	99,157	115,865
Other support costs	121,884	121,884	134,899
Other staff expenditure	2,067	2,067	1,529
Governance costs	17,199	17,199	17,848
Support staff supply costs	192,174	192,174	137,737
	<u>2,740,686</u>	<u>2,740,686</u>	<u>2,755,390</u>
<i>Total 2019</i>	<u>2,755,390</u>	<u>2,755,390</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	<i>2019 £</i>
Operating lease rentals	25,441	29,077
Depreciation of tangible fixed assets	130,561	122,612
Fees paid to auditors for:		
- Audit	4,000	4,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,232,523	3,120,230
Social security costs	318,776	304,941
Pension costs	875,369	719,814
	<u>4,426,668</u>	<u>4,144,985</u>
Teaching supply costs	134,730	153,597
Support staff supply costs	192,174	137,737
	<u>4,753,572</u>	<u>4,436,319</u>

b. Staff numbers

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

	2020 No.	2019 No.
Management	10	12
Teachers	39	35
Support and admin staff	59	60
	<u>108</u>	<u>107</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1
	<u>5</u>	<u>5</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff (continued)

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £555,270 (2019 £513,279).

12. Related Party Transactions- Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
Mr D Billington	Remuneration	NIL	50,000 - 55,000
	Pension contributions paid	NIL	5,000 - 10,000
Ms K Daniels	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Mr J Rockman	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Trustees' and Officers' insurance

The College uses the Risk Protection Arrangement (RPA) to provide this cover and the premium is included in the overall cost of the cover. The RPA Administrator's Limit of Liability in respect of each academy shall be £10,000,000 each and every Loss and shall be the maximum aggregate liability of the RPA Administrator from all Losses from an academy whose Academy Trust is a Member during any one Membership Year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Tangible fixed assets

	Freehold property £	Furniture and fixtures £	Computer equipment £	Plant and equipment £	Total £
Cost or valuation					
At 1 September 2019	7,635,310	43,464	85,174	625	7,764,573
Additions	-	4,028	23,411	-	27,439
At 31 August 2020	<u>7,635,310</u>	<u>47,492</u>	<u>108,585</u>	<u>625</u>	<u>7,792,012</u>
Depreciation					
At 1 September 2019	487,316	43,464	83,124	625	614,529
Charge for the year	118,359	1,034	11,168	-	130,561
At 31 August 2020	<u>605,675</u>	<u>44,498</u>	<u>94,292</u>	<u>625</u>	<u>745,090</u>
Net book value					
At 31 August 2020	<u>7,029,635</u>	<u>2,994</u>	<u>14,293</u>	<u>-</u>	<u>7,046,922</u>
At 31 August 2019	<u>7,147,994</u>	<u>-</u>	<u>2,050</u>	<u>-</u>	<u>7,150,044</u>

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	24,812	8,324
Other debtors	11,269	6,049
Prepayments and accrued income	44,321	21,844
	<u>80,402</u>	<u>36,217</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	25,930
Other taxation and social security	153,120	133,067
Other creditors	5,315	5,315
Accruals and deferred income	18,612	57,592
	177,047	221,904

17. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	623,597	378,377
	623,597	378,377

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General Funds - all funds	6,649	6,352	-	-	13,001
	6,649	6,352	-	-	13,001
Restricted general funds					
GAG	162,307	4,199,747	(3,852,752)	-	509,302
Pupil premium	-	84,085	(84,085)	-	-
LA funding	-	1,610,589	(1,610,589)	-	-
General funds	-	126,275	(126,275)	-	-
Pension reserve	(2,898,000)	-	(340,000)	(719,000)	(3,957,000)
	(2,735,693)	6,020,696	(6,013,701)	(719,000)	(3,447,698)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	7,173,778	-	(122,207)	-	7,051,571
DfE Capital grant	-	8,354	(8,354)	-	-
	<u>7,173,778</u>	<u>8,354</u>	<u>(130,561)</u>	<u>-</u>	<u>7,051,571</u>
Total Restricted funds	<u>4,438,085</u>	<u>6,029,050</u>	<u>(6,144,262)</u>	<u>(719,000)</u>	<u>3,603,873</u>
Total funds	<u>4,444,734</u>	<u>6,035,402</u>	<u>(6,144,262)</u>	<u>(719,000)</u>	<u>3,616,874</u>

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes.

Restricted general funds are resources for educational purposes.

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

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
General Funds - all funds	5,131	1,518	-	-	6,649

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Restricted general funds					
GAG	(80,894)	3,833,879	(3,590,678)	-	162,307
Pupil premium	-	77,625	(77,625)	-	-
LA funding	-	1,558,763	(1,558,763)	-	-
General funds	-	165,317	(165,317)	-	-
Pension reserve	(1,942,000)	-	(323,000)	(633,000)	(2,898,000)
	<u>(2,022,894)</u>	<u>5,635,584</u>	<u>(5,715,383)</u>	<u>(633,000)</u>	<u>(2,735,693)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	7,270,196	-	(122,612)	-	7,147,584
Devolved Formula Capital	-	26,194	-	-	26,194
	<u>7,270,196</u>	<u>26,194</u>	<u>(122,612)</u>	<u>-</u>	<u>7,173,778</u>
Total Restricted funds	<u>5,247,302</u>	<u>5,661,778</u>	<u>(5,837,995)</u>	<u>(633,000)</u>	<u>4,438,085</u>
Total funds	<u><u>5,252,433</u></u>	<u><u>5,663,296</u></u>	<u><u>(5,837,995)</u></u>	<u><u>(633,000)</u></u>	<u><u>4,444,734</u></u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	7,046,922	7,046,922
Current assets	13,001	686,349	4,649	703,999
Creditors due within one year	-	(177,047)	-	(177,047)
Provisions for liabilities and charges	-	(3,957,000)	-	(3,957,000)
Total	<u>13,001</u>	<u>(3,447,698)</u>	<u>7,051,571</u>	<u>3,616,874</u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	7,150,044	7,150,044
Current assets	6,649	384,211	23,734	414,594
Creditors due within one year	-	(221,904)	-	(221,904)
Provisions for liabilities and charges	-	(2,898,000)	-	(2,898,000)
Total	<u>6,649</u>	<u>(2,735,693)</u>	<u>7,173,778</u>	<u>4,444,734</u>

20. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(108,860)	(174,699)
Adjustments for:		
Depreciation	130,561	122,612
Capital grants from DfE and other capital income	(8,354)	(26,194)
Defined benefit pension scheme cost less contributions payable	287,000	274,000
Defined benefit pension scheme finance cost	53,000	49,000
(Increase)/decrease in debtors	(44,185)	23,724
(Decrease)/increase in creditors	(44,857)	128,214
Net cash provided by operating activities	<u>264,305</u>	<u>396,657</u>

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21. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(27,439)	(2,460)
Capital grants from DfE Group	8,354	26,194
Net cash (used in)/provided by investing activities	(19,085)	23,734

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	623,597	378,377
Total cash and cash equivalents	623,597	378,377

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	378,377	245,220	623,597
	378,377	245,220	623,597

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2020.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £397,953 (2019 - £262,215).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £292,000 (2019 - £274,000), of which employer's contributions totalled £221,000 (2019 - £206,000) and employees' contributions totalled £ 71,000 (2019 - £68,000). The agreed contribution rates for future years are 20.6 - 21.6 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 1.10 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

Principal actuarial assumptions

Royal County of Berkshire Pension Fund

	2020	2019
	%	%
Rate of increase in salaries	3.20	3.65
Rate of increase for pensions in payment/inflation	2.20	2.15
Discount rate for scheme liabilities	1.65	1.90

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.5	22.1
Females	24.1	24.0
<i>Retiring in 20 years</i>		
Males	22.9	23.7
Females	25.5	25.8

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	964,000	961,000
Corporate bonds	217,000	250,000
Property	235,000	218,000
Cash and other liquid assets	157,000	135,000
Other investments	80,000	161,000
Total market value of assets	1,653,000	1,725,000

The actual return on scheme assets was £79,000 (2019 - £94,000).

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

	2020 £	2019 £
Current service cost	(506,000)	(404,000)
Past service cost	-	(75,000)
Interest income	35,000	41,000
Interest cost	(88,000)	(90,000)
Administrative expenses	(2,000)	(1,000)
Total amount recognised in the Statement of financial activities	(561,000)	(529,000)

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

	2020 £	2019 £
At 1 September	4,623,000	3,317,000
Current service cost	506,000	404,000
Interest cost	88,000	90,000
Employee contributions	71,000	68,000
Actuarial losses	381,000	686,000
Benefits paid	(59,000)	(17,000)
Past service costs	-	75,000
At 31 August	5,610,000	4,623,000

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	1,725,000	1,375,000
Interest income	35,000	41,000
Actuarial (losses)/gains	(338,000)	53,000
Employer contributions	221,000	206,000
Employee contributions	71,000	68,000
Benefits paid	(59,000)	(17,000)
Administrative expenses	(2,000)	(1,000)
At 31 August	<u>1,653,000</u>	<u>1,725,000</u>

25. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	9,395	25,441
Later than 1 year and not later than 5 years	18,440	8,669
	<u>27,835</u>	<u>34,110</u>

26. 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.

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27. Related party transactions

Owing to the nature of the academy 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12