

Company Registration Number: 09606079 (England & Wales)

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATION DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

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 Ms L Docherty (resigned 29 October 2020) Mr J McLaughlin (appointed 15 October 2020)
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

HAYBROOK COLLEGE TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2020 to 31 August 2021. 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 192 pupils (70 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 34 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

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

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 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 13th November 2020.

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

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	.6

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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

a. Objects and aims

Haybrook College Trust provides a flexible and creative range of education provisions in Slough for over 200 students, 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 35 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 students 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 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 students 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Public benefit (continued)

- 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.

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 2020 - 21 development targets.

Outcomes

For 50% of Yr. 11s, who have joined the College before Christmas 2020, to leave the College with at least five GCSE or equivalents, 1 to 9. 65% to achieve four and 80% to achieve 3.

The data shows that we are below target for 5+, 4+ and 3+ GCSE or Equivalent passes for our full cohort of year 11. However, with those assessed as working at GCSE from their Baseline data, we meet the targets for 5+ and 3+ and are close for 4+. We meet all targets for pupils with greater than 60% attendance, which is still a key target for the SDP.

		FULL Cohort	56	Working at GCSE Level	42	60%+ attendance	23
Target:	PASSES	NO	Total Yr 11 %	NO	Total %	NO	Total %
50%	5+	21	38	21	50	14	60
65%	4+	26	46	26	62	18	78
80%	3+	34	60	33	79	20	87
	2+	41	73	40	95	21	91
	1+	45	80	40	95	23	100

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 TAG. The efforts of staff to support students during this time to engage with us and their qualifications cannot be undersold. As usual, Haybrook staff went above and beyond to help our learners through their continual communication and socially distanced visits, up to and including completing work in their cars with the young people. The 11 students who did not gain both E&M were very poor school attendance issues or school refusers.

	ALL YR 11 (56)		Gender: Female (13)		Gender: Male (43)		Pupil Premium (31)		Non-Pupil Premium (25)		60+ attendance (20)		Working at GCSE (45)	
Level 1/2	35	63%	7	54%	28	65%	19	61%	16	64%	20	100%	35	78%
Any Level	48	86%	11	85%	37	86%	28	90%	20	80%	20	100%	42	93%

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 and 75% at KS3 from their 2020-21 baselines.

Progress has been collected and collated for the end of year reports for all students. Due to the fluid nature of arrivals, there is a discrepancy between the number of students registering data across English and maths. Staff have 6-weeks from each students start date to gather evidence for their baseline subject level and that is why there is a difference between the two subjects. The majority of students across Haybrook in both English and maths have made progress. However, the impact of the multiple lockdowns continues to have a significant impact on the amount of

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic Report (continued)

Achievements and Performance (continued)

progress made. Staff have high expectations as to what constitutes expected progress and the termly moderation sessions ensure this is consistent across the College.

Subject	Total with T6 data	Negative progress		Some progress		Expected or above progress	
		Number	%	Number	%	Number	%
ENG	133	24	18	50	38	59	44
MATHS	123	23	19	51	41	49	40

To achieve 85% EET by February 2021 for those pupils that have made expected progress.

Currently 75.4% of learners are EET. Those who are not EET have plans and key workers in place and we are continuing to support these pupils to find the most appropriate places. For the first time ever, local colleges have asked us to supply Safeguarding information along with behaviour support plans and risk assessments. There has been some concern that these are being used as a way to refuse a placement for some more complex students. Students are being supported in the placements by staff who visit twice per week.

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.

Financial review

a. 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 £2,252K This balance includes unrestricted funds of £19K, which is considered appropriate for the Academy Trust, and restricted funds of £2,233K, which includes restricted fixed asset funds of £6,989K and a pension deficit of £5,411K.

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

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FOR THE YEAR ENDED 31 AUGUST 2021

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.

b. 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 2021, no investments were held.

c. 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 2021. 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.

d. Review of activities

During the period, ESFA/LA grants received totalled to £6,002K. Other income included within restricted funds totalled to £155K. Restricted fund expenditure totalled to £6,422K.

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 2021 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,

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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.

Fundraising

The academy does not engage in any specific fundraising activities.

Auditor

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 _____ and signed on its behalf by:



Mr Rupert Moreton
Chair of FAR & HR Committee

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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 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	4	4
D Tottingham, Chair	4	4
J Rockall	4	4
R Moreton	3	4
A Bunce,	4	4
K Daniels	4	4
J McLaughlin	3	3
L Docherty	1	1

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

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Tottingham (Chair)	4	4
J Rockman (CEO, Accounting Officer)	4	4
L Docherty	1	1
R Moreton	4	4
J Curzon (Company Secretary)	4	4

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 Catering
- o Achieving best value for IT systems across the College.

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 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed at a meeting of the Chair of the Finance, Risk & Audit & HR Committee (FAR) and sent to the Board of Trustees 6 times a year
- regular reviews by the Finance, Audit & Risk & HR 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 within Financial Regulations which are agreed by the full Trustee Board annually
- identification and management of risks the risk register is a standing item on the FAR Committee Agenda and that Committee reports to the full Board periodically

From September 2020 the Trustee Board have agree to carry out an internal scrutiny programme linked to non-financial services, which were highlighted on the risk register. This service will carried out by different external parties. 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 safeguarding procedures – Completed by Jo Rockall Head teacher of Herschel Grammar school
- Testing of website compliance – Completed by Peter Rodding external consultant
- Testing of T&L at new intervention provision – Completed by Peter Rodding external consultant

On an annual basis, the internal scrutiny partner(s) will report to the Board of Trustees through the Finance, Audit & Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and prepares a short 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(s);
- 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 controlframework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal

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GOVERNANCE STATEMENT (CONTINUED)

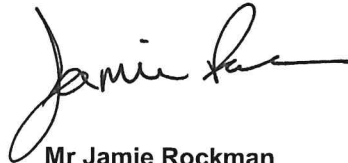
Review of effectiveness (continued)

control by the Finance, Audit & Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the Board of Trustees on 16 December 2021 and signed on their behalf by:



Mr Rupert Moreton
Chair of FAR and HR Committee



Mr Jamie Rockman
Accounting Officer

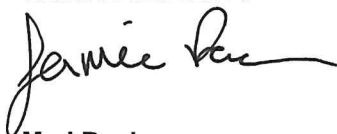
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 2020.

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 2020.

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



Mr J Rockman
Accounting Officer

Date: 16 December 2021

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its 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 2020 to 2021;
- 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 16 December 2021 and signed on its behalf by:



Mr Rupert Moreton
Chair of FAR and HR Committee

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 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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

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

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

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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report 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.

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.

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

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

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.

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

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

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

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

16 December 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 2020 to 2021, 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 2020 to 31 August 2021 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 16 December 2021

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	6,200	-	12,024	18,224	14,449
Charitable activities	4	-	6,031,058	-	6,031,058	5,893,863
Other trading activities	5	-	125,310	-	125,310	126,275
Investments	6	108	-	-	108	257
Total income		6,308	6,156,368	12,024	6,174,700	6,034,844
Expenditure on:						
Charitable activities	8	-	6,421,900	130,711	6,552,611	6,143,704
Total expenditure		-	6,421,900	130,711	6,552,611	6,143,704
Net income/(expenditure)		6,308	(265,532)	(118,687)	(377,911)	(108,860)
Transfers between funds	17	-	(56,376)	56,376	-	-
Net movement in funds before other recognised gains/(losses)		6,308	(321,908)	(62,311)	(377,911)	(108,860)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(987,000)	-	(987,000)	(719,000)
Net movement in funds		6,308	(1,308,908)	(62,311)	(1,364,911)	(827,860)
Reconciliation of funds:						
Total funds brought forward		13,001	(3,447,698)	7,051,571	3,616,874	4,444,734
Net movement in funds		6,308	(1,308,908)	(62,311)	(1,364,911)	(827,860)
Total funds carried forward		19,309	(4,756,606)	6,989,260	2,251,963	3,616,874

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

The notes on pages 24 to 47 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	6,989,260	7,046,922
		<u>6,989,260</u>	<u>7,046,922</u>
Current assets			
Debtors	15	50,000	80,402
Cash at bank and in hand		850,552	623,597
		<u>900,552</u>	<u>703,999</u>
Creditors: amounts falling due within one year	16	(226,849)	(177,047)
Net current assets		673,703	526,952
Total assets less current liabilities		7,662,963	7,573,874
Defined benefit pension scheme liability	23	(5,411,000)	(3,957,000)
Total net assets		2,251,963	3,616,874
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	6,989,260	7,051,571
Restricted income funds	17	654,394	509,302
Restricted funds excluding pension deficit	17	7,643,654	7,560,873
Pension reserve	17	(5,411,000)	(3,957,000)
Total restricted funds	17	2,232,654	3,603,873
Unrestricted income funds	17	19,309	13,001
Total funds		2,251,963	3,616,874

The financial statements on pages 21 to 47 were approved by the Trustees, and authorised for issue on 16 December 2021 and are signed on their behalf, by:

Mr Rupert Moreton
Chair of FAR and HR Committee

The notes on pages 24 to 47 form part of these financial statements.

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	173,908	264,305
Cash flows from investing activities	20	(61,025)	(19,085)
Change in cash and cash equivalents in the year		112,883	245,220
Cash and cash equivalents at the beginning of the year		623,597	378,377
Cash and cash equivalents at the end of the year	21, 22	<u>736,480</u>	<u>623,597</u>

The notes on pages 24 to 47 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 2021

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 2020 to 2021 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

HAYBROOK COLLEGE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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
Motor vehicles	-

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

HAYBROOK COLLEGE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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.

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.

HAYBROOK COLLEGE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	6,200	-	6,200	6,095
Capital Grants	-	12,024	12,024	8,354
	<u>6,200</u>	<u>12,024</u>	<u>18,224</u>	<u>14,449</u>
<i>Total 2020</i>	<u>6,095</u>	<u>8,354</u>	<u>14,449</u>	

HAYBROOK COLLEGE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the academy's educational activities

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General annual grant	4,184,635	4,184,635	4,199,189
Other DfE/ESFA grants			
Pupil premium	112,855	112,855	84,085
Others	65,415	65,415	2,640
	<hr/>	<hr/>	<hr/>
	4,362,905	4,362,905	4,285,914
Other Government grants			
Local authority grants	1,533,075	1,533,075	1,607,949
	<hr/>	<hr/>	<hr/>
	1,533,075	1,533,075	1,607,949
Other income from the academy's educational activities	29,343	29,343	-
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	48,480	48,480	-
Other DfE/ESFA COVID-19 funding	57,255	57,255	-
	<hr/>	<hr/>	<hr/>
	105,735	105,735	-
	<hr/>	<hr/>	<hr/>
	6,031,058	6,031,058	5,893,863
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2020</i>	5,893,863	5,893,863	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £48,480 of funding for catch-up premium and costs incurred in respect of this funding totalled £48,480.

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5. Income from other trading activities

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Lettings income	-	-	8,107
Other income	125,310	125,310	118,168
	<u>125,310</u>	<u>125,310</u>	<u>126,275</u>
<i>Total 2020</i>	<u>126,275</u>	<u>126,275</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank interest	108	108	257
	<u>108</u>	<u>108</u>	<u>257</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Educational Activities:					
Direct costs	3,041,119	-	516,972	3,558,091	3,403,018
Allocated support costs	2,060,093	367,293	567,134	2,994,520	2,740,686
Total 2021	<u>5,101,212</u>	<u>367,293</u>	<u>1,084,106</u>	<u>6,552,611</u>	<u>6,143,704</u>
<i>Total 2020</i>	<u>4,753,572</u>	<u>269,002</u>	<u>1,121,130</u>	<u>6,143,704</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Activities	6,552,611	6,552,611	6,143,704
<i>Total 2020</i>	<u>6,143,704</u>	<u>6,143,704</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational Activities	3,558,091	2,994,520	6,552,611	6,143,704
<i>Total 2020</i>	<u>3,403,018</u>	<u>2,740,686</u>	<u>6,143,704</u>	

Analysis of direct costs

	Educational Activities 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	2,930,785	2,930,785	2,663,199
Educational consultancy	241,146	241,146	224,356
Technology costs	93,060	93,060	37,384
Educational supplies	103,930	103,930	270,605
Examination fees	24,852	24,852	29,522
Staff development and training	17,657	17,657	18,547
Teaching supply costs	110,334	110,334	134,730
Other direct costs	36,327	36,327	24,675
	<u>3,558,091</u>	<u>3,558,091</u>	<u>3,403,018</u>
<i>Total 2020</i>	<u>3,403,018</u>	<u>3,403,018</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension finance cost	63,000	63,000	53,000
Staff costs	1,545,068	1,545,068	1,476,469
Depreciation	130,711	130,711	130,561
Recruitment & support	9,318	9,318	18,557
Maintenance of premises	95,423	95,423	40,292
Rent and rates	88,306	88,306	40,844
Energy costs	65,376	65,376	75,918
Insurance	14,837	14,837	12,791
Security and transport	59,877	59,877	52,971
Catering	115,976	115,976	119,802
Cleaning	103,351	103,351	99,157
Other support costs	153,238	153,238	121,884
Other staff expenditure	2,308	2,308	2,067
Governance costs	32,706	32,706	17,199
Support staff supply costs	111,025	111,025	192,174
Non cash pension costs	404,000	404,000	287,000
	<u>2,994,520</u>	<u>2,994,520</u>	<u>2,740,686</u>
<i>Total 2020</i>	<u>2,740,686</u>	<u>2,740,686</u>	

In the current year, the non-cash pension costs have been re-allocated to a separate line within the support costs note 9. This cost used to be included within the staff costs line within this note. In turn, the expenditure note 7 and the staff costs note 11a have both been updated to reflect this change. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	25,441	25,441
Depreciation of tangible fixed assets	130,711	130,561
Fees paid to auditors for:		
- audit	4,000	4,000
- other services	4,025	-
	4,025	4,000

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,456,557	3,232,523
Social security costs	343,794	318,776
Pension costs	675,502	588,369
	4,475,853	4,139,668
Teaching supply costs	110,334	134,730
Non cash pension costs	404,000	287,000
Support staff supply costs	111,025	192,174
	5,101,212	4,753,572

In the current year, the non-cash pension costs have been re-allocated to a separate line within the support costs note 9. This cost used to be included within the staff costs line within this note. In turn, the expenditure note 7 and the staff costs note 11a have both been updated to reflect this change. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

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11. Staff (continued)

b. Staff numbers

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Management	12	10
Teachers	38	39
Support and admin staff	62	59
	<u>112</u>	<u>108</u>

c. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	-	3
In the band £70,001 - £80,000	3	1
In the band £90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page . 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 £579,384 (2020 £555,270).

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NOTES TO THE FINANCIAL STATEMENTS
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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:

		2021	2020
		£	£
Ms K Daniels	Remuneration	25,000 -	25,000 -
		30,000	30,000
	Pension contributions paid	5,000 -	0 - 5,000
		10,000	
Mr J Rockman	Remuneration	100,000 -	95,000 -
		105,000	100,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £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 2021**

14. Tangible fixed assets

	Freehold property £	Furniture and fixtures £	Computer equipment £	Plant and equipment £	Total £
Cost or valuation					
At 1 September 2020	7,635,310	47,492	108,585	625	7,792,012
Additions	36,155	-	26,626	10,268	73,049
At 31 August 2021	<u>7,671,465</u>	<u>47,492</u>	<u>135,211</u>	<u>10,893</u>	<u>7,865,061</u>
Depreciation					
At 1 September 2020	605,675	44,498	94,292	625	745,090
Charge for the year	118,476	1,034	10,131	1,070	130,711
At 31 August 2021	<u>724,151</u>	<u>45,532</u>	<u>104,423</u>	<u>1,695</u>	<u>875,801</u>
Net book value					
At 31 August 2021	<u><u>6,947,314</u></u>	<u><u>1,960</u></u>	<u><u>30,788</u></u>	<u><u>9,198</u></u>	<u><u>6,989,260</u></u>
At 31 August 2020	<u><u>7,029,635</u></u>	<u><u>2,994</u></u>	<u><u>14,293</u></u>	<u><u>-</u></u>	<u><u>7,046,922</u></u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	1,452	24,812
Other debtors	24,350	11,269
Prepayments and accrued income	24,198	44,321
	<u><u>50,000</u></u>	<u><u>80,402</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	9,389	-
Other taxation and social security	159,983	153,120
Other creditors	5,315	5,315
Accruals and deferred income	52,162	18,612
	<u>226,849</u>	<u>177,047</u>
	2021	2020
	£	£
Resources deferred during the year	5,500	-
	<u>5,500</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in advance for ESFA income.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	13,001	6,308	-	-	-	19,309
Restricted general funds						
GAG	509,302	4,184,635	(3,983,167)	(56,376)	-	654,394
Pupil premium	-	112,855	(112,855)	-	-	-
Other DfE/ESFA grants	-	65,415	(65,415)	-	-	-
Local authority grants	-	1,533,075	(1,533,075)	-	-	-
General funds	-	154,653	(154,653)	-	-	-
Catch-up premium	-	48,480	(48,480)	-	-	-
Other DfE/ESFA COVID-19 funding	-	57,255	(57,255)	-	-	-
Pension reserve	(3,957,000)	-	(467,000)	-	(987,000)	(5,411,000)
	<u>(3,447,698)</u>	<u>6,156,368</u>	<u>(6,421,900)</u>	<u>(56,376)</u>	<u>(987,000)</u>	<u>(4,756,606)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	7,051,571	12,024	(130,711)	56,376	-	6,989,260
Total Restricted funds	<u>3,603,873</u>	<u>6,168,392</u>	<u>(6,552,611)</u>	<u>-</u>	<u>(987,000)</u>	<u>2,232,654</u>
Total funds	<u><u>3,616,874</u></u>	<u><u>6,174,700</u></u>	<u><u>(6,552,611)</u></u>	<u><u>-</u></u>	<u><u>(987,000)</u></u>	<u><u>2,251,963</u></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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

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 2021.

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

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£
Unrestricted funds					
General Funds - all funds	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)	-	-
Other DfE/ESFA grants	-	1,610,589	(1,610,589)	-	-
Local authority grants	-	126,275	(126,275)	-	-
Pension reserve	(2,898,000)	-	(340,000)	(719,000)	(3,957,000)
	<u>(2,735,693)</u>	<u>6,020,696</u>	<u>(6,013,701)</u>	<u>(719,000)</u>	<u>(3,447,698)</u>
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><u>4,444,734</u></u>	<u><u>6,035,402</u></u>	<u><u>(6,144,262)</u></u>	<u><u>(719,000)</u></u>	<u><u>3,616,874</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	6,989,260	6,989,260
Current assets	19,309	881,243	-	900,552
Creditors due within one year	-	(226,849)	-	(226,849)
Provisions for liabilities and charges	-	(5,411,000)	-	(5,411,000)
Total	19,309	(4,756,606)	6,989,260	2,251,963

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
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	13,001	(3,447,698)	7,051,571	3,616,874

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(377,911)	(108,860)
Adjustments for:		
Depreciation	130,711	130,561
Capital grants from DfE and other capital income	(12,024)	(8,354)
Defined benefit pension scheme cost less contributions payable	404,000	287,000
Defined benefit pension scheme finance cost	63,000	53,000
Decrease/(increase) in debtors	30,402	(44,185)
Decrease in creditors	(64,270)	(44,857)
Net cash provided by operating activities	173,908	264,305

20. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(73,049)	(27,439)
Capital grants from DfE Group	12,024	8,354
Net cash used in investing activities	(61,025)	(19,085)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	736,480	623,597
Total cash and cash equivalents	736,480	623,597

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	623,597	226,955	850,552
	<u>623,597</u>	<u>226,955</u>	<u>850,552</u>

23. 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 2021

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

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.

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23. Pension commitments (continued)

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 2024.

The employer's pension costs paid to TPS in the year amounted to £450,937 (2020 - £397,953).

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £349,000 (2020 - £292,000), of which employer's contributions totalled £266,000 (2020 - £221,000) and employees' contributions totalled £ 83,000 (2020 - £71,000). 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.

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

Principal actuarial assumptions

Royal County of Berkshire Pension Fund

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	3.85	3.20
Rate of increase for pensions in payment/inflation	2.85	2.20
Discount rate for scheme liabilities	1.70	1.65
	1.70	1.65

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	21.3	21.5
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	22.6	22.9
Females	25.4	25.5
	25.4	25.5

Share of scheme assets

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

	2021	<i>2020</i>
	£	£
Equities	1,339,000	964,000
Corporate bonds	390,000	217,000
Property	258,000	235,000
Cash and other liquid assets	45,000	157,000
Other investments	160,000	80,000
Total market value of assets	2,192,000	<i>1,653,000</i>

The actual return on scheme assets was £218,000 (2020 - £79,000).

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

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

	2021 £	2020 £
Current service cost	668,000	(506,000)
Interest income	(30,000)	35,000
Interest cost	(93,000)	(88,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of financial activities	543,000	(561,000)

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

	2021 £	2020 £
At 1 September	5,610,000	4,623,000
Current service cost	668,000	506,000
Interest cost	93,000	88,000
Employee contributions	83,000	71,000
Actuarial losses	1,175,000	381,000
Benefits paid	(26,000)	(59,000)
At 31 August	7,603,000	5,610,000

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

	2021 £	2020 £
At 1 September	1,653,000	1,725,000
Interest income	30,000	35,000
Actuarial gains/(losses)	188,000	(338,000)
Employer contributions	266,000	221,000
Employee contributions	83,000	71,000
Benefits paid	(26,000)	(59,000)
Administrative expenses	(2,000)	(2,000)
At 31 August	2,192,000	1,653,000

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NOTES TO THE FINANCIAL STATEMENTS
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24. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	31,104	9,395
Later than 1 year and not later than 5 years	106,752	18,440
	<u>137,856</u>	<u>27,835</u>

25. 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.

26. 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

27. Agency arrangements

The academy trust distributes 16 -19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the trust received £8,600 (2020: £298) and disbursed £2,811 (2020: £185) from the fund. An amount of £5,500 (2020: £NIL) is included in deferred income relating to undistributed funds that is repayable to the ESFA.