

Company Registration No. 07368292 (England and Wales)

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2012

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THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Directors (Trustees)

I Daker (Chair)
D Coslett (Chief Executive Officer & Accounting Officer) *
L Garratt *
J Dalton
K Elves (Chair of Curriculum Committee)
J Boyd (Chair of Staffing Committee)
D Rowe (Principal)
* members of Finance Committee

Senior managers

D Coslett	(Chief Executive Officer)
D Rowe	(Principal)
J Kane	(Deputy Principal)
N Midgely	(Deputy Principal)
D Burren	(Assistant Headteacher)
C Nelson	(Assistant Headteacher)
I Ward	(Assistant Headteacher)
W Allender	(Business Manager)

Secretary

W Allender

Company number

07368292

Registered office

Brook Street
Tonbridge
Kent
TN9 2PH
United Kingdom

Auditors

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent, BR6 8QE

Bankers

Lloyds TSB
121 High Street
Tonbridge
Kent
TN9 1DB

Solicitors

Thomson Snell & Passmore
3 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1NX

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
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THE HAYESBROOK SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT

FOR THE YEAR ENDED 31 AUGUST 2012

The Directors (Trustees) present their report and accounts for the year to 31 August 2012

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, and the Annual Accounts Direction 2011/12 issued by the EFA

Structure, Governance and Management

The charitable company is a company limited by guarantee incorporated on 07 September 2010. On 14 May 2012 the members adopted new Articles of Association to reflect the company having become a Multi-Academy Trust. The details that follow reflect the new Articles unless the content clearly indicates to the contrary.

The Directors (Trustees), who are the directors for the purpose of company law and trustees for the purpose of charity law and who served during the year were

I Daker (Chair)	
D Coslett (Chief Executive Officer & Accounting Officer) *	(Appointed 14 May 2012)
L Garratt *	(Appointed 14 May 2012)
J Dalton	
K Elves (Chair of Curriculum Committee)	
J Boyd (Chair of Staffing Committee)	
D Rowe (Principal)	(Appointed 14 May 2012)
* members of Finance Committee	

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no 7368292) and an exempt charity, regulated by the EFA (Education Funding Agency). The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The articles of association require the members of the Charitable Company to appoint at least four members to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academies. The Charitable Company is known as The Hayesbrook School Academy Trust.

Details of the directors who served throughout the period are noted above.

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 he/she 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.

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2012

Governance

The Directors of the Charitable Company for the purposes of the Companies Act 2006 are trustees for the purposes of charity legislation

Directors may be recruited at any time and are subject to retirement on the anniversary of their fourth year of office, however, their appointment does not take effect until the next available full directors' meeting. They are eligible for re-election at the meeting at which they retire

The Academy Trust's funding agreement specifies that the Board of Directors may include

- Up to 15 Directors appointed by the Members
- Any Staff Director (up to one third of the Board)
- Up to 5 Academy Directors (the Chair of each Local Governing Body)
- A minimum of two Parent Directors
- The Principals of each Academy and the Chief Executive Officer
- Any additional Directors such as the Secretary of State for Education thinks fit, following the issue of a warning notice or a drop in OFSTED grades between two inspections

During the year under review the full Board of Governors held three meetings. The training and induction provided for new Directors depends on their existing experience. All Directors attend an induction course run by Kent County Council and the company subscribes to the KCC governor training programme on an annual basis. All Directors are periodically invited to review their experience and knowledge and identify where further training might be useful or necessary. All new Directors are given a tour and the chance to meet with staff and pupils. All Directors are given access to policies and procedures via the company's website and are given hard copies of minutes, accounts, budgets, plans and other documents that they need to undertake their role as Directors.

In accordance with normal commercial practice the Company has purchased insurance to protect Directors, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on company business. The insurance provides cover up to £1,000,000 on any one claim.

Principal Activities

The Academy Trust's object is specifically restricted to the following to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

In accordance with the Articles of Association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to each Academy, and the catchment area from which the pupils are drawn.

THE HAYESBROOK SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

Organisational Structure

The structure of the Academy Trust consists of three senior levels the Academy Trust (members), the Board of Directors and the Senior Leadership Team. The management structure is to ensure that all statutory responsibilities and duties are fulfilled. Decision making at all levels is encouraged.

- The Academy Trust

The four members acting as trustees form the limited company and exempt charity known as the Hayesbrook School Academy Trust and are responsible for appointing most of the Directors (Trustees) of the Charitable Company.

- The Board of Directors

The Board of Directors is responsible for setting general policy, adopting an annual plan and budget, monitoring the Company by the use of budgets and making major decisions about the direction of the Company, capital expenditure and senior staff appointments, including the Chief Executive Officer.

- The Senior Leadership Team

The SLT controls the Company at an executive level, implementing the policies laid down by the Board of Directors and reporting back to them. As a group, the SLT is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the SLT always contain a Trustee/Director. Some spending control is devolved to members of the SLT, with limits above which a member of the Board of Directors must countersign.

The SLT during the year comprised the Chief Executive Officer, the Principal, two Deputy Principals, three Assistant Headteachers, the Business Manager and the Office Manager. These managers are responsible for the day to day operation of the Company, in particular organising the teaching staff, facilities and pupils.

The Trust's scheme of delegation provides greater detail of the levels of responsibility delegated to particular roles within the Trust's management structure.

Connected Organisations, including Related Party Relationships

- High Weald Academy (formerly Angley School)

High Weald Academy (formerly Angley School) is a co-educational, 11 to 18 years, non-faith school, in Cranbrook, Kent. The relationship with High Weald began before Hayesbrook became an Academy in December 2010. Beginning in August 2010, Hayesbrook was commissioned by KCC to assist the school in terms of leadership and management, following a poor Local Authority review and its ongoing financial difficulties. The assistance consisted of the secondment of a senior member of staff in the role of head of school, the provision of leadership by the CEO and assistance from other senior and specialist members of Hayesbrook's staff. The commission for support was renewed in September 2011 and ceased in August 2012. The seconded member of staff became the Principal of the school during the year.

With Accredited Sponsor Academy status, Hayesbrook was able to sponsor High Weald in becoming an academy and the conversion to Academy status took place on the 1st September 2012. Upon conversion, the school became known as The High Weald Academy and now receives grant funding direct from the EFA.

Upon conversion, the current chair of Governors and Principal at High Weald became Directors of the Hayesbrook School Academy Trust and the trust is now responsible for appointing the Governing body of High Weald Academy.

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2012

Swan Valley Community School

Swan Valley is a co-educational, 11 to 16 years, Community School in Swanscombe, Kent. Hayesbrook's relationship with it began in 2002 when KCC commissioned the then Headteacher at Hayesbrook to provide leadership and guidance during a period of crisis.

The Trust is also seeking to sponsor Swan Valley in becoming an academy. The Trust is working closely with the Local Authority to effect improvement in the school in preparation for academisation, in the same way as it did with the High Weald. Upon conversion, the school will be renamed the Ebbsfleet Academy. The school was built under the Private Finance Initiative (PFI) and the legal and financial implications have caused significant delay in the academisation process, but all parties are now working towards September 2013 as the new opening date. The maintenance of the grounds and buildings will continue to be managed by the company that originally financed its building.

Upon conversion the current chair of Governors and Principal at Ebbsfleet Academy will become Directors of the Hayesbrook School Academy Trust and the Trust will also appoint the academy's governing body.

- Hugh Christie Sixth Form partnership

The Hugh Christie Sixth Form partnership began in September 2010 and has developed at several levels. At a senior leadership level both schools have met regularly and communication between the schools has been excellent. At a departmental level openness between the two schools and the sixth form administrative support has provided a vital link between departments and parents. Logistical challenges such as transport, examination entries and timetabling have been met by both schools, with Hayesbrook providing additional support when needed.

- West Kent Learning Federation

WKLF is a formal group of headteachers and other leaders who meet on a regular basis throughout the year as a forum for discussing and implementing national and local educational initiatives. There is no financial commitment from Hayesbrook to participate or continue with this relationship.

THE HAYESBROOK SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

Teaching School Alliance

Hayesbrook School was officially recognised as a Teaching School in September 2011. During the year, a separate company was formed (The Brook Alliance Ltd) to manage the work of the Teaching School. The company has two directors: Debbie Coslett (Chief Executive Officer) and Carrie Beech. The constituent members of the Brook Alliance are:

- The Hayesbrook School (Lead School)
- High Weald Academy
- Bennett Memorial Diocesan School
- Broomhill Bank Special School
- Canterbury Christ Church University
- Chatham Grammar School for Boys
- Chevening (St Botolph's) CEP School
- Cranbrook School
- Hugh Christie Technology College
- K College
- Kent and Medway Training (SCITT)
- Mascalls School
- Sevenoaks primary School
- Swan Valley Community School (Ebbsfleet Academy)
- Teaching Leaders
- The University of Brighton
- Weald of Kent Grammar School

The Brook Alliance is dedicated to upholding the principles of Teaching Schools and to working in collaboration with other Teaching School Alliances. Underpinning the work of The Brook Alliance are five fundamental principles to which the all members are committed:

- 1 Raising standards, outcomes and life chances for young people
- 2 Sharing and disseminating knowledge
- 3 Honesty, trust and excellence in all areas
- 4 A shared responsibility
- 5 Building hearts and minds within and beyond the Alliance

The Hayesbrook School as the designated Teaching School will be accountable to the following professional bodies:

- The Training and Development Agency for Schools
- The National College of School Leadership
- The Academy Trust of The Hayesbrook School

Objectives

The main objectives of the Academy Trust during the year ended 31 August 2012 are summarised below:

- to ensure that every pupil enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements, and
- to conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness

THE HAYESBROOK SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

Strategies and Activities

The Academy Trust's main strategy is encompassed in Hayesbrook's motto/strapline 'Learning Together' To this end the activities provided include

- high quality tuition and learning opportunities for all students to attain appropriate academic and vocational qualifications,
- training opportunities for all staff,
- a programme of sporting and after-school enrichment activities for all students,
- opportunities to continue and enhance learning off-site through educational visits and exchange programmes with schools in Europe,
- Careers information, advice and guidance to help students obtain employment or move on to higher education

Public Benefit

The Directors have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the company

Achievements and Performance

Hayesbrook Academy has now completed its second year of operation and continues to be oversubscribed Total students in the year ended 31st August 2012 numbered 915 and the Academy has a full complement in all year groups The Academy has obtained agreement from the Department for Education (DfE) to continue to have a PAN of 151

A2 examination results for 2012 were as follows

3+ A* - E passes	69%
2+ A* - E passes	99%
1+ A* - E passes	100%
APS per entry	206 30 (214 80 in 2011)
APS per student	550 30 (611 50 in 2011)

OFQUAL's reduction to points awarded for BTEC examinations has resulted in a drop in APS

GCSE results for 2012 were as follows

5 A* - C GCSE	78%
5 A* - C GCSE inc English & Maths	51%
1 A* - C GCSE	100%

To ensure that standards are continually raised the Academy is rigorous in its monitoring and evaluation through

- Effective school improvement planning
- Focused line management and performance management procedures and protocols
- Bespoke and differentiated CPD for all
- High expectations underpinned by realistic, yet challenging, targets
- A clear focus on student attainment and progress
- Departmental Reviews based on OfSTED criteria and carried out by SLT
- Focused and timely interventions for students at risk of underachieving
- Outstanding leadership and management

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2012

Going Concern

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

Key Financial Performance Indicators

No key financial performance indicators have been set by the Directors, beyond the requirement that the financial position should remain sufficient to fund future needs. The principal performance measures are non-financial and are largely educational and pastoral. However, the Directors recognise that specific KPI's would be a useful tool in assisting financial management and will determine a range of indicators during the autumn term 2012.

Financial Review

Most of the Company's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

At 31 August 2012 the net book value of fixed assets was £13,474k (2011: £13,490k) and details are shown in note 11 to the financial statements.

The Company held fund balances at 31 August 2012 of £12,064k (2011: £12,298k) including £13,474k (2011: £13,490k) of fixed asset fund representing the net book value of fixed assets. This element of funds is therefore not available for future spending.

Funds available for future spending amounted to £354k (2011: £256k) of restricted funds for specific purposes and £nil (2011: £16k) of unrestricted funds. In common with other Academies and local authorities our share of the LGPS fund is in deficit. This amounted to £1,674k (2011: £1,203k) as at 31 August 2012.

Large / unusual transactions

The Directors wish to disclose the following large or unusual transactions during the year:

Purchases from Kirkman & Jourdain - £211,915 - this was to pay for the environmental works carried out at Angley School prior to becoming High Weald Academy. The Trust received a grant to cover most of this work.

FRS17 Pension Scheme Deficit

The financial statements below show the Company's share of the Local Government Pension Scheme, which has been valued by the actuary as a net liability of £1,674,000 at 31 August 2012 (£1,203,000 at 31 August 2011).

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2012

Financial Objectives

The Company's financial objectives are

- to achieve an annual operating surplus,
- to pursue alternative sources of funding, on a selective basis, consistent with the Company's core competencies, and the need for a financial contribution to the Company's overall finances,
- to generate sufficient levels of income to support the asset base of the Company, and
- to fund continued capital investment

These objectives were achieved in the period ending 31 August 2012

Financial and Risk Management Objectives and Policies

The Directors have adopted a Risk Management Policy, which was reviewed in the spring 2012. The Chair of Directors oversees the policy and chairs the annual meeting of the members of the risk management group. However, the Board of Directors has set itself the task of forming an Audit and Risk Management committee to oversee the work of the Finance functions in each of the Trust's academies.

The role of the group is to

- discuss and agree that all involved are satisfied with the Chairman's list of risks (the risk register),
- determine the appropriate response to each risk,
- assess existing controls and determine appropriate action,
- allocate responsibility for action, and
- agree future reporting and review procedures

The risk register is maintained at the Academy level and will be reviewed at least annually by the Audit and Risk committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Company, not all of which are within the Company's control. Other factors besides those listed below may also adversely affect the Company.

1 Government funding

The Company has considerable reliance on continued government funding through the EFA. In 2011/12, 97% of the Company's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways

- Funding is derived through a number of direct and indirect contractual arrangements,
- By ensuring the Company is rigorous in delivering high quality education and training,

2 Adequate funding of pension liabilities

The financial statements (below) report the Company's share of the pension scheme deficit on the balance sheet, in line with the requirements of FRS 17. This is a long-term liability that must be funded by the Company's resources.

3 Demographic change

Fluctuations in the school-age population can cause corresponding fluctuations in funding. The company will wish to retain some flexibility in its cost structure to reflect anticipated falls/rises in grant income or may wish to build up reserves (where permitted) to off-set such fluctuations.

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2012

Reserves Policy

The Directors review the reserve levels of the Company annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Directors have determined that the minimum level of free reserves in the main Company account should be equivalent to one month's expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Company also holds reserves on behalf of others: the School Voluntary Fund and the School Sports Coordinator account. These do not form part of the Academy's day-to-day expenditure and are therefore excluded from the reserves held to finance its running costs.

Investment Policy

The Directors have approved an investment policy; the level of reserves at the 31 August 2012 were sufficient to be invested in a High Interest Deposit account with Lloyds TSB and are reviewed periodically to ensure cash flow is not compromised.

Equal Opportunities and Employment of disabled persons

The Company is committed to ensuring equality of opportunity for all who learn and work here. The Company respects and values positive differences in race, gender, sexual orientation, ability, class and age and strives vigorously to remove conditions which place people at a disadvantage. The Company aims to actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The Company's Equality Scheme, encompassing disability, gender and race policies, is published on the staff intranet.

The Company considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Company continues. The Company's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. An equalities scheme is published each year and monitored by managers and Directors.

Disability statement

The Company seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005.

- a) As part of its accommodation strategy the Company updated its access audit.
- b) The Associate Deputy Headteacher and Special Needs Coordinator (SENCO) provide information, advice and arrange support where necessary for students with disabilities. The Company has an Accessibility Plan, which is updated annually.
- c) The admissions policy for all students is described in each Academy prospectus. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- e) The Company has made a significant investment in the appointment of specialist teachers to support students with learning difficulties and/or disabilities. There are a number of learning support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- f) Specialist programmes are described in each Academy prospectus, and achievements and destinations are recorded and published in the standard Academy format.
- g) Counselling and welfare services are described in each Academy's Staff Handbook and Prospectus.

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

Plans for the future

Currently the Company is formulating a premises plan. This will be a five year plan that will inform future bidding for funds to build facilities which will support Teaching & Learning as well as community use.

Funds held as Custodian Trustee

The Company holds funds on behalf of the School Voluntary fund and the School Sports Partnership. At 31st August 2012, the balances were

School Voluntary Fund - £63,034

Schools Games Organiser - £26,699

Statement of Directors' Responsibilities

The Directors (who act as Trustees for charitable activities of The Hayesbrook School Academy Trust and are also the directors of the charitable company for the purposes of company law), are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulation, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Annual Accounts Requirements issued by the Education Funding Agency.

Company law requires the Directors to prepare accounts for each financial period. Under company law the Directors must not approve the Accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors 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 accounts 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 Directors 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 the EFA / DfE have been applied for the purposes intended.

The Directors 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 accounts may differ from legislation in other jurisdictions.

**THE HAYESBROOK SCHOOL ACADEMY TRUST
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DIRECTORS REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2012

In accordance with company law, as the company's directors, we certify that

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- The Directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

A resolution proposing that Baxter & Co be reappointed as auditors of the company will be put to the members

On behalf of the Board of Directors



MD
Co

Dated 20 December 2012

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2012

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Directors are supported by the Local Governing Body of the Hayesbrook School. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Board was as follows:

Governor	Meetings Attended	Out of a Possible
I Daker (Chair)	3	3
D Coslett (Chief Executive Officer & Accounting Officer) *	3	3
W Allender (Staff Director) *	2	3
N Midgely (Staff Director, Chair of Land/Property Committee)	2	3
J Buck (Chair of Finance Committee) *	3	3
L Garratt *	3	3
A Hibbins (Chair of Health & Safety Committee)	2	3
J Dalton	3	3
K Elves (Chair of Curriculum Committee)	3	3
J Boyd (Chair of Staffing Committee)	3	3
P Pierson *	3	3
C Thackwell *	3	3
D Kilpatrick	2	3
B Walsh *	2	3
D Rowe (Principal)		

The Finance Committee is a sub-committee of the main Board. Its purpose is to assist and support the Board, ensuring sound oversight is exercised over the management of the Company's finances and resources. Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a Possible
J Buck (Chair of Finance Committee)	6	6
D Coslett (Chief Executive Officer & Accounting Officer) *	6	6
W Allender (Staff Director) *	6	6
P Pierson *	6	6
L Garratt *	6	6
C Thackwell *	6	6
B Walsh *	5	6

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2012

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Company's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Hayesbrook School Academy Trust for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the Company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Company's significant risks that has been in place for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board,
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- Setting targets to measure financial and other performance,
- Clearly defined purchasing (asset purchase or capital investment) guidelines,
- Delegation of authority and segregation of duties,
- Identification and management of risks.

The Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Keith Elves, a Director, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

The Hayesbrook School Academy Trust confirms that the RO function has been fully delivered in line with EFA requirements. The RO's work during the year did not reveal any material control issues.

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2012

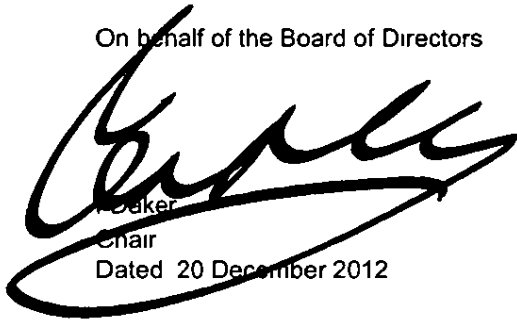
Review of Effectiveness

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

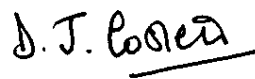
- The work of the Responsible Officer,
- The work of the External Auditor,
- The financial management and governance self assessment process,
- The work of the Executive Managers within the Company who have responsibility for the development and maintenance of the internal control framework

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

On behalf of the Board of Directors



Chair
Dated 20 December 2012


D Coslett
Accounting Officer
Dated 20 December 2012

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2012**

As accounting officer of The Hayesbrook School Academy Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Company and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date



D Coslett
Accounting Officer
Dated 20 December 2012

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF THE HAYESBROOK SCHOOL ACADEMY TRUST

We have audited the accounts of The Hayesbrook School Academy Trust for the year ended 31 August 2012 set out on pages 20 to 48. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the EFA.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors (Trustees) and auditors

As explained more fully in the statement of Directors' responsibilities, the Trustees, who are also the directors of The Hayesbrook School Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for expressing an opinion on whether grants made by the DfE/EFA have been applied for the purposes intended.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors (Trustees), and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 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 the Annual Accounts Direction 2011/12 issued by the EFA, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters

In our opinion grants made by the DfE/EFA have been applied for the purposes intended.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF THE HAYESBROOK SCHOOL ACADEMY TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts 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



D J Walsh FCCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

**Chartered Certified Accountants
Statutory Auditor**

Lynwood House
Crofton Road
Orpington
Kent, BR6 8QE

Dated 20 December 2012

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE HAYESBROOK SCHOOL ACADEMY TRUST AND THE
EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 November 2012 and further to the requirements of the Education Funding Agency 'EFA' as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Hayesbrook School Academy Trust during the year ended 31 August 2012 have been applied to the purpose identified by Parliament and the financial transactions conform to the authorities which govern them

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

Respective Responsibilities of The Hayesbrook School Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of The Hayesbrook School Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook as published by the DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purpose 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 2011/12. 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 ended 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure. We have included in our examination testing of a sample of

- Payments to staff,
- Payments to suppliers and other third parties,
- Grant and other income streams

We have reviewed the most recent Financial Management and Governance Evaluation self assessment return prepared by the Academy Trust and made enquiries of the Accounting Officer thereon. We have reviewed minutes and other evidence made available to us, relevant to our consideration of regularity

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE HAYESBROOK SCHOOL ACADEMY TRUST AND THE
EDUCATION FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Baxter & Co

Chartered Certified Accountants

Lynwood House
Crofton Road
Orpington
Kent, BR6 8QE

Dated 20 December 2012

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2012

		Unrestricted funds	Restricted funds	Fixed Asset fund	Total 2012	Total 2011 (9 Months)
	Notes	£'000	£'000	£'000	£'000	£'000
Incoming Resources						
<i>Generated Funds</i>						
- Voluntary Income	3	-	19	-	19	139
- Voluntary Income (transfers on conversion)	3	-	-	-	-	13,477
- Activities for Generating Funds	4	142	-	-	142	80
<i>Charitable Activities</i>						
- Educational Operations	5	-	6,676	-	6,676	4,415
Total Incoming Resources		142	6,695	-	6,837	18,111
Resources Expended						
- Costs of generating Voluntary Income	6	-	19	-	19	21
<i>Charitable Activities</i>						
- Educational Operations	7	149	6,049	312	6,510	4,537
<i>Governance Costs</i>	8	9	25	-	34	25
<i>Other Resources Expended</i>						
- Transfers on conversion	6	-	-	-	-	1,158
- LGPS Pension Finance Costs	6/17	-	56	-	56	42
Total Resources Expended	6	158	6,149	312	6,619	5,783
Net Incoming/(Outgoing) Resources before Transfers		(16)	546	(312)	218	12,328
Gross transfers between funds	15	-	(296)	296	-	-
Net Incoming/(Outgoing) Resources before Other Recognised Gains and Losses		(16)	250	(16)	218	12,328
Other recognised gains and losses						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	17	-	(452)	-	(452)	(30)
Net movement in funds		(16)	(202)	(16)	(234)	12,298
Fund balances at 1 September 2011		16	(1,208)	13,490	12,298	-
Fund balances at 31 August 2012		-	(1,410)	13,474	12,064	12,298

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2012

	2012	2011 (9 Months)
	£'000	£'000
Income		
General Annual Grant (GAG)	4,590	3,472
Other DfE / EFA Grants	78	-
Other Government Grants	536	401
Capital Income	646	162
Fixed Assets donated to Academy	-	13,200
Other Income	987	876
Total Income	6,837	18,111
Expenditure		
General Annual Grant (GAG) related expenditure	4,562	3,383
Other DfE / EFA Grants related expenditure	78	-
Other Government Grant related expenditure	492	297
Expenditure Funded from Capital Income (not capitalised)	247	21
Other Expenditure	19	1,173
Expenditure Funded from Other Income	909	633
Depreciation	312	276
Total Expenditure	6,619	5,783
Excess of Income over Expenditure	218	12,328

The summary income and expenditure account is derived from the statement of financial activities on page 20 which, together with the notes on pages 24 to 48, provides full information on the movements during the year on all funds of the charity

All of the Company's activities derive from continuing operations during the above financial periods

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Net Income/(Expenditure) for the year	218	12,328
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	(452)	(30)
Total Recognised Gains and Losses for the year	(234)	12,298

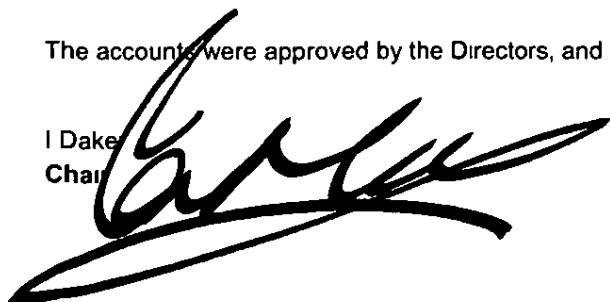
THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 AUGUST 2012

		2012		2011 (9 Months)	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		13,474		13,490
Current assets					
Debtors	12	513		134	
Cash at bank and in hand		650		532	
		<u>1,163</u>		<u>666</u>	
Creditors: amounts falling due within one year	13	<u>(789)</u>		<u>(483)</u>	
Net current assets			<u>374</u>		<u>183</u>
Total assets less current liabilities			<u>13,848</u>		<u>13,673</u>
Creditors: amounts falling due after more than one year	14		<u>(110)</u>		<u>(172)</u>
Net assets excluding pension liability			<u>13,738</u>		<u>13,501</u>
Defined benefit pension liability	17		<u>(1,674)</u>		<u>(1,203)</u>
Net assets			<u><u>12,064</u></u>		<u><u>12,298</u></u>
Funds					
Restricted Funds	15				
General Annual Grant (GAG) Fund			89		61
Other Government Grant Fund			123		79
Capital Fund			(90)		(261)
Fixed Asset Fund			13,474		13,490
Other Income Fund			142		116
LGPS Fund			(1,674)		(1,203)
Unrestricted Funds	15				
Other Income Fund			-		16
			<u><u>12,064</u></u>		<u><u>12,298</u></u>

The accounts were approved by the Directors, and authorised for issue on 20 December 2012

I Declare
 Chair



Company
 Registration
 No. 07368292

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2012

		2012	2011 (9
	Notes	£'000	Months)
			£'000
Net cash inflow from operating activities	18	(165)	398
Cash transferred on conversion	3	-	277
Returns on investments and servicing of finance			
Investment income		-	-
Net cash inflow from returns on investments and servicing of finance		-	-
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets		(295)	(566)
Capital Grants		31	39
Other Capital Income		615	123
Net cashflow from capital activities		351	(404)
Increase in cash	19	186	271

All of the Company's activities derive from continuing operations during the above financial periods

**THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 31 AUGUST 2012

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005

The Standard Format for the financial statements as required by the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and the Academies Accounts Direction issued by the EFA

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

1.2 Incoming resources

Grants Receivable

Grants are included in the statements of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the company is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the company in the period in which they are receivable, and where the benefit is both quantifiable and material

Interest Receivable

Interest receivable is included within the statements of the financial activities on a receivable basis

Other Income

Income is included in the statement of financial activities on a cash received basis or on an accruals basis where the receipt is assured with reasonable certainty and is receivable at the balance sheet date

1.3 Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity

Allocation of Costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the company's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

1 Accounting Policies

(continued)

Governance Costs

Governance costs include the costs attributable to the company's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the objects of the company at the discretion of the Directors.

Restricted funds comprise grants from the DfE / EFA and other donors which are to be used for specific purposes as explained in note 15.

Restricted Fixed Asset funds are resources which are to be applied to specific purposes according to the source of funding for the related fixed assets.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation.

Assets costing £5,000 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 are depreciated over their expected useful economic life. The related grants are credited to an appropriate restricted fund in the statement of financial activities and carried forward in the balance sheet.

Depreciation is charged in the statement of financial activities at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated.

Freehold / Leasehold buildings	2% - 4% (Straight Line)
ICT / Computer equipment	20% (Straight Line)
Fixtures, fittings & equipment	10% - 15% (Straight Line)
Motor vehicles	15% (Straight Line)

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

1 Accounting Policies

(continued)

1.5 Fixed Asset Transferred from Predecessor School

Where fixed assets were transferred to the charitable company from a predecessor school, these have been included at a value determined in accordance with the policy described below

Land

Operational land, which includes the sports field, has been included at existing use value using a market based approach

Buildings

In accordance with the requirements of FRS 15, specialist buildings transferred from predecessor schools are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

Other Assets

Other assets transferred from predecessor schools are also included at depreciated replacement cost (subject to the capitalisation limit set)

1.6 Leasing and hire purchase commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2012

1 Accounting Policies

(continued)

1.7 Pensions

Retirement benefits to employees of the Company are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Company. More details of the schemes are given in note 17.

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Company 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 quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the Company 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credit adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Further details are set out in note 17 to the financial statements.

1.8 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2012

2	General Annual Grant (GAG)	2012	2011 (9 Months)
		£'000	£'000
a.	Results and Carry Forward for the year		
	GAG brought forward from previous year	61	-
	GAG allocation for current year	4,590	3,472
	Total GAG available to spend	4,651	3,472
	Recurrent expenditure from GAG	(4,562)	(3,383)
	Fixed Assets purchased from GAG	-	(28)
	GAG Carried Forward to Next Year	89	61
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(551)	(417)
	GAG to surrender to DfE / EFA (12% rule breached if result is positive)	(462)	(356)
		<i>no breach</i>	<i>no breach</i>
b	Use of GAG Brought Forward from previous period for recurrent purposes (Of the amount Carried Forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
	Recurrent expenditure from GAG in current year	4,562	3,383
	GAG allocation for current year	(4,590)	(3,472)
	GAG allocation for previous period x 2%	(69)	-
	GAG Brought Forward from previous period in excess of 2%, used on recurrent expenditure in current year (2% rule breached if result is positive)	(97)	(89)
		<i>no breach</i>	<i>no breach</i>

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

3 Voluntary Income

	Restricted funds £'000	Total 2012 £'000	Total 2011 (9 Months) £'000
Other Income	19	19	139
	<u>19</u>	<u>19</u>	<u>139</u>
Transfers on Conversion			
School Reserves	-	-	277
Fixed Assets	-	-	13,200
	<u>-</u>	<u>-</u>	<u>13,477</u>
	<u>19</u>	<u>19</u>	<u>13,616</u>

4 Activities for Generating Funds

	Unrestricted funds £'000	Total 2012 £'000	Total 2011 (9 Months) £'000
Lettings	97	97	44
Other	45	45	36
	<u>142</u>	<u>142</u>	<u>80</u>

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

5 Funding for Company's Educational Operations

	Restricted funds	Total 2012	Total 2011 (9 Months)
	£'000	£'000	£'000
General Annual Grant (GAG)	4,590	4,590	3,472
Other DfE / EFA Grants			
Pupil Premium	68	68	-
Other	10	10	-
Other Government Grants			
Other Government Grants	536	536	401
Capital Grants			
Devolved Formula Capital Grant	31	31	39
Capital Loan Liability transferred from the School	-	-	(335)
Other Capital Grants	615	615	33
Sport England	-	-	425
Other Income			
Other Income	826	826	380
	<u>6,676</u>	<u>6,676</u>	<u>4,415</u>

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

6 Total resources expended

	Staff costs	Depreciation	Other costs	Total 2012	Total 2011 (9 Months)
	£'000	£'000	£'000	£'000	£'000
Costs of Generating Voluntary Income	-	-	19	19	21
Costs of Activities for Generating Funds	-	-	-	-	-
Company's Educational Operations					
Direct Costs	3,886	250	681	4,817	3,669
Allocated Support Costs	749	62	882	1,693	868
	4,635	312	1,563	6,510	4,537
Governance costs	-	-	34	34	25
Other					
LGPS Deficit Inherited on Conversion	-	-	-	-	1,158
LGPS Pension Finance Cost	-	-	56	56	42
	-	-	56	56	1,200
	4,635	312	1,672	6,619	5,783

Details of fees payable to Auditors are set out in note 8 (Governance Costs)

THE HAYESBROOK SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

7 Charitable Activities - Company's Educational Operations

	Unrestricted funds	Restricted funds	Fixed Asset fund	Total 2012	Total 2011 (9 Months)
	£'000	£'000	£'000	£'000	£'000
Direct Costs					
Teaching and Educational Support	16	3,870	-	3,886	3,024
Depreciation	-	-	250	250	276
Educational Supplies and Services	40	182	-	222	225
Examination Fees	1	80	-	81	56
School Trips and Activities	-	108	-	108	58
Staff Development	-	40	-	40	30
Other Direct Costs	-	230	-	230	-
	<u>57</u>	<u>4,510</u>	<u>250</u>	<u>4,817</u>	<u>3,669</u>
Allocated Support Costs					
Support Staff Costs	90	696	-	786	536
LGPS Staff Costs	-	(37)	-	(37)	(27)
Depreciation	-	-	62	62	-
Maintenance of Premises	-	282	-	282	59
Furniture and Equipment	-	7	-	7	2
Cleaning	-	6	-	6	5
Water	-	6	-	6	2
Energy	-	67	-	67	46
Rates	-	26	-	26	19
Insurance	-	29	-	29	52
Administrative Costs	2	107	-	109	54
Catering	-	41	-	41	43
Bank Interest & Charges	-	-	-	-	2
Recruitment and Support	-	3	-	3	4
Technology Costs	-	115	-	115	64
Other Support Costs	-	191	-	191	7
	<u>92</u>	<u>1,539</u>	<u>62</u>	<u>1,693</u>	<u>868</u>
Total	<u>149</u>	<u>6,049</u>	<u>312</u>	<u>6,510</u>	<u>4,537</u>

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

8 Governance costs	Unrestricted funds	Restricted funds	Total 2012	Total 2011 (9 Months)
	£'000	£'000	£'000	£'000
Legal and Professional Fees payable to Auditors	9	14	23	14
Audit Fees	-	7	7	6
Other Fees	-	4	4	5
	<u>9</u>	<u>25</u>	<u>34</u>	<u>25</u>

THE HAYESBROOK SCHOOL ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2012

9 Staff Costs

Number of employees

The average number of persons (including senior management team) employed by the Company during the year expressed as full time equivalents was as follows

	2012	2011 (9
	Number	Months)
		Number
Teachers	55	60
Administration and Support	60	59
Management	8	8
	<u>123</u>	<u>127</u>

Employment costs

	2012	2011 (9
	£'000	Months)
		£'000
Wages and salaries	3,723	2,719
Social security costs	258	193
Other pension costs	494	367
	<u>4,475</u>	<u>3,279</u>
Agency Supply and Other Salary Related Costs	160	254
	<u>4,635</u>	<u>3,533</u>

The number of employees whose annual remuneration was £60,000 or more was

	2012	2011 (9
	Number	Months)
		Number
£60,001 - £70,000	-	2
£70,001 - £80,000	2	1
£100,001 - £110,000	1	1
	<u>1</u>	<u>1</u>

The above employees earning more than £60,000 p a participated in the Teachers' Pension Scheme During the period ended 31 August 2012, pension contributions for these staff amounted to £35,209 (2011 £32,972)

THE HAYESBROOK SCHOOL ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2012

10 Directors

Directors' Remuneration and Expenses

The Chief Executive Officer and Principal only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and Principal and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Academy in respect of their role as Directors. The value of Directors' remuneration during the year covered by these accounts was as follows

Chief Executive Officer D Cosslett	£107,724 (2011 (9 Months) £78,823)
Principal D Rowe	£70,000 - £75,000

There is no requirement to disclose the salaries of staff governors as none have been appointed as Directors (Trustees) under the Articles of Association

During the year ended 31 August 2012, no directors were reimbursed for any travelling or other expenses

Directors' and Officers' Insurance

In accordance with normal commercial practice the company purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, error or omissions occurring whilst on company business. Cover of up to £1,000,000 on any one claim was purchased, the cost of which is £668 (2011 (9 Months) - £720)

11 Tangible fixed assets

	Land and buildings £'000	Motor vehicles £'000	Total £'000
Cost or valuation			
At 1 September 2011	13,748	18	13,766
Additions	295	-	295
At 31 August 2012	14,043	18	14,061
Depreciation			
At 1 September 2011	264	11	275
Charge for the year	306	6	312
At 31 August 2012	570	17	587
Net book value			
At 31 August 2012	13,473	1	13,474
At 31 August 2011	13,477	13	13,490

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2012

12 Debtors	2012	2011 (9 Months)
	£'000	£'000
Trade debtors	20	27
Other debtors	473	82
Prepayments and accrued income	20	25
	513	134

13 Creditors amounts falling due within one year	2012	2011 (9 Months)
	£'000	£'000
Local Authority loans	83	89
Trade creditors	29	-
Taxes and social security costs	88	85
Other creditors	23	57
Accruals	367	70
Deferred income	199	182
	789	483

Deferred income of £199k (2011 £182k) represents resources deferred in the period and carried forward at 31 August 2012

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

14 Creditors' amounts falling due after more than one year	2012	2011 (9 Months)
	£'000	£'000
Local Authority loans	110	172
	<u>110</u>	<u>172</u>
Analysis of loans		
Wholly repayable	193	261
Included in current liabilities	(83)	(89)
	<u>110</u>	<u>172</u>
Loan maturity analysis		
Debt due in one year or less	83	89
In more than one year but not more than two years	60	58
In more than two years but not more than five years	50	114
	<u>193</u>	<u>261</u>

The Company inherited a Kent County Council loan of £335,398 from a predecessor school. The loan is unsecured and repayable by instalments within five years from 31 August 2011.

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

15 Funds

	Movement in funds				
	Balance at 1 September 2011 £'000	Incoming resources £'000	Resources expended £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2012 £'000
General Annual Grant	61	4,590	(4,562)	-	89
Other DfE / EFA Grants	-	78	(78)	-	-
Other Government Grants	79	536	(492)	-	123
Other Income	116	845	(751)	(68)	142
Restricted General Funds	256	6,049	(5,883)	(68)	354
DfE / EFA Capital Grant	-	646	(247)	(296)	103
Loan	(261)	-	-	68	(193)
Restricted Capital Fund	(261)	646	(247)	(228)	(90)
Restricted Fixed Asset Fund	13,490	-	(312)	296	13,474
Restricted LGPS Fund	(1,203)	-	(19)	(452)	(1,674)
Total Restricted Funds	12,282	6,695	(6,461)	(452)	12,064
Total Unrestricted Funds	16	142	(158)	-	-
Total Funds	12,298	6,837	(6,619)	(452)	12,064

The Restricted GAG Fund is used to fund the operating costs of the Company. The company is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% can be used for general purposes at the discretion of the company, but any balance over 2% must be used for capital purposes.

The Other Government Grants Fund represents unspent income received from Kent County Council and others.

The Other Income Restricted Fund represents unspent voluntary fund income of £63k, SSCO income of £21k, sinking fund of £40k and olympic fund £18k.

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2012

15 Funds

(continued)

The Loan Fund represents the current balance of the loan inherited from a predecessor school

The Restricted DfE/EFA Capital Fund is set aside to fund future capital purchases

The Restricted Fixed Asset Fund is not available for spending as it represents the net book value of fixed assets transferred from predecessor schools and subsequent additions thereto. Future depreciation will be charged against this fund.

The LGPS fund represents the Company's share of the LGPS Pension Fund deficit

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total Funds £'000
Fund balances at 31 August 2012 are represented by:				
Tangible fixed assets	-	-	13,474	13,474
Current assets	-	1,163	-	1,163
Creditors: amounts falling due within one year	-	(789)	-	(789)
Creditors: amounts falling due after more than one year	-	(110)	-	(110)
Defined benefit pension liability	-	(1,674)	-	(1,674)
	<u>-</u>	<u>(1,410)</u>	<u>13,474</u>	<u>12,064</u>

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments

The Company'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 Kent County Council Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £22,212 (2011 £NIL) were payable to the schemes at 31 August and are included within creditors

Teachers' Pension Scheme

The TPS is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pension Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

The contribution rate paid into the TPS is assessed in two parts First, a standard contribution rate ("SCR") is determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments

(continued)

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The company is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the company has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The company has set out above the information available on the scheme and the implications for the company in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £268,000, of which employer's contributions totalled £212,000 and employees' contributions totalled £56,000. The agreed contribution rates for future years are 23.1% for employers and a range between 5.5% and 7.5% for employees according to salary levels.

The employer's contribution rate includes additional contributions of 8.3% over a period of 20 years, so as to eliminate the pension fund deficit.

The LGPS obligation relates to the employees of the Company, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did subsequently, 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 Company at the balance sheet date.

The major assumptions used by the actuary were

	2012	2011 (9 Months)
	%	%
Rate of increase in salaries	4.10	4.90
RPI Increases	2.70	3.40
CPI Increases	1.90	2.60
Rate of increase in pensions in payment	1.90	2.60
Discount rate	3.90	5.40

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments

(continued)

Sensitivity Analysis

	Assets at 31 August 12 £'000	Liabilities at 31 August 12 £'000	(Deficit)/Surplus At 31 August 12 £'000
Central	1,123	(2,797)	(1,674)
Sensitivity 1			
+0 1% pa discount rate	1,123	(2,716)	(1,593)
Sensitivity 2			
-0 1% pa discount rate	1,123	(2,880)	(1,757)
Sensitivity 3			
+1 year mortality rate	1,123	(2,693)	(1,570)
Sensitivity 4			
-1 year mortality rate	1,123	(2,902)	(1,779)

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

	2012 Years	2011 (9 Months) Years
Retiring today		
Males	20	20
Females	24	24
Retiring in 20 years		
Males	22	22
Females	26	26

THE HAYESBROOK SCHOOL ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments

(continued)

The values of the assets in the scheme are as follows:

	2012	2012	2011 (9	2011 (9
	%	£'000	Months)	Months)
			%	£'000
Equities	70 00	786	73 00	551
Bonds	13 00	146	14 00	106
Property	10 00	112	9 00	68
Other assets	7 00	79	4 00	31
Total market value of assets		1,123		756
Present value of scheme liabilities		(2,797)		(1,959)
Net pension liability		(1,674)		(1,203)

The expected rate of return on scheme assets is 5.2 %

Analysis of the amounts recognised in the statement of financial activities

	2012	2011 (9
	£'000	Months)
		£'000
Employer Service Cost	(175)	(127)
Deficit Inherited as at 01 December 2010	-	(1,158)
Employers Contribution	212	154
Total operating charge	37	(1,131)

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments

(continued)

Analysis of the amount shown as other finance expenditure:

	2012	2011 (9
		Months)
	£'000	£'000
Expected Return on Employee Share of Scheme Assets	56	33
Interest on Pension Liabilities	(112)	(75)
Net surplus/(deficit)	<u>(56)</u>	<u>(42)</u>

Analysis of amount recognised in the statement of total recognised gains and losses:

	2012	2011 (9
		Months)
	£'000	£'000
Actuarial Gains/(Losses) on Assets	45	(24)
Actuarial Gains/(Losses) on Liabilities	(497)	(6)
Actuarial Gain/(Loss) recognised in the statement of total recognised gains and losses	<u>(452)</u>	<u>(30)</u>

Movement in Surplus/(Deficit) during the year

	2012	2011 (9
		Months)
	£'000	£'000
Deficit in scheme at 01 September 2011	(1,203)	-
Operating charge	37	(1,131)
Other finance income	(56)	(42)
Actuarial losses	(452)	(30)
Deficit in scheme at 31 August 2012	<u>(1,674)</u>	<u>(1,203)</u>

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments

(continued)

Movements in the Present Value of Defined Benefit Obligations were as follows

	2012	2011 (9 Months)
	£'000	£'000
Interest Cost	(112)	(75)
Actuarial (Losses) Gains	(497)	(6)
Contributions by Scheme Participants	(56)	(41)
Other Movements	(173)	(1,837)
	<u>(838)</u>	<u>(1,959)</u>

Included within Other Movements is £NIL (2011 £1,710k) in relation to obligations inherited by the Company, (£2k) (2011 £NIL) of benefits transfers paid, and £175k (2011 £127k) of service costs

Movements in the Fair Value of Academy's share of scheme assets

	2012	2011 (9 Months)
	£'000	£'000
Actuarial Gains (Losses)	45	(24)
Contributions by Employer including unfunded	212	154
Contributions by Scheme Participants	56	41
Other Movements	54	585
	<u>367</u>	<u>756</u>

Included within Other Movements is £NIL (2011 £552k) of assets inherited by the Company, £56k (2011 £33k) relating to expected return on plan assets, and (£2k) (2011 £NIL) of benefits/transfers paid

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2012

17 Pension and other post-retirement benefit commitments **(continued)**

Defined benefit (continued)

History of experience gains and losses:

	2012	2011 (9 Months)	2010	2009	2008
	£'000	£'000	£'000	£'000	£'000
Present value of defined benefit obligations	(2,797)	(1,959)	-	-	-
Fair value of share of scheme assets	1,123	756	-	-	-
	<u>(1,674)</u>	<u>(1,203)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Experience adjustment on scheme liabilities	-	-	-	-	-
Percentage of liabilities	-	-	-	-	-
Experience adjustment on scheme assets	45	-	-	-	-
Percentage of assets	4.01%	-	-	-	-

18 Net cash (outflow)/inflow from operating activities	2012	2011 (9 Months)
	£'000	£'000
Reconciliation to changes in resources		
Changes in resources before revaluations	218	12,328
Cash transferred on conversion	-	(277)
Depreciation of tangible fixed assets	312	276
Increase in debtors	(379)	(134)
Increase in creditors	311	394
Non cash donations	-	(13,200)
Capital Income	(646)	(162)
FRS17 Deficit Inherited on Conversion	-	1,158
Other FRS17 Charges	19	15
	<u>(165)</u>	<u>398</u>

THE HAYESBROOK SCHOOL ACADEMY TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

19 Reconciliation of net cash flow to movement in net funds	2012	2011 (9 Months)
	£'000	£'000
Increase in cash	118	532
Local Authority Loans	68	(261)
Movement in net funds	186	271
Net funds at 1 September 2011	271	-
Net funds at 31 August 2012	457	271

20 Analysis of net cash less debt	At 1 September 2011	Cash flow	Non-cash changes	At 31 August 2012
	£'000	£'000	£'000	£'000
Cash at bank and in hand	532	118	-	650
Debt due within one year	(89)	68	(62)	(83)
Debt due after one year	(172)	-	62	(110)
	271	186	-	457

21 Contingent liabilities

The Company is currently engaged in a legal dispute. It is likely that the issue will be resolved by April 2013. Governors are confident that no liability will arise and hence no provision is included within the accounts. It is however, possible that if the company is unsuccessful the liability could be up to an anticipated maximum of £83,000.

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22 Commitments under operating leases

At 31 August 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012	2011 (9
		Months)
	£'000	£'000
Expiry date		
Within one year	25	-
Between two and five years	28	46
	<u>53</u>	<u>46</u>

23 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