

# Haberdashers' Aske's Hatcham College Trust

(A company limited by guarantee)

## REPORT AND FINANCIAL STATEMENTS

31 August 2008



Company Registration Number: 2535091  
Charity Registration Number: 1001489



# Haberdashers' Aske's Hatcham College Trust

## REPORT AND FINANCIAL STATEMENTS

31 August 2008

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### CONTENTS

	PAGE
Legal and administrative information	1 - 2
Governors' report	3 - 7
Statement of Governors' Responsibilities	8
Independent Auditors' report	9 - 10
Consolidated statement of financial activities	11
Consolidated and charity balance sheets	12
Consolidated cash flow statement	13
Notes to the financial statements	14 - 29

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# Haberdashers' Aske's Hatcham College Trust

## LEGAL AND ADMINISTRATIVE INFORMATION

31 August 2008

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### NOMINATED GOVERNORS

Richard Glover (1)	Chairman, Member
Andrew Barlow (4)	
Canon Owen Beament (3)	
Michael Baughan	
Anthony Cann (1), (3)	
Daniel Confino (2)	
Rupert Elliott – appointed 1.9.08	Member
Harriet Harris (2)	
Tristram Jones-Parry (2), (4)	
Philip Lough - appointed 1.9.08	
Nicholas Lund (1)	Member
Dr Helen Murphy (3)	
Alun Oliver (3) – resigned 31.8.08	
Revd James Power (2)	Member
George Pulman (4) - resigned 31.8.08	Member
Alex Smith-Bingham (1)	Responsible Officer
Emma Jenks (2), (3)	
Jane Waller (2) - appointed 1.9.07	

### CO-OPTED GOVERNORS

Carol Broomfield (2)	Elected by staff
Andrew Brown (4)	Representing local community
Ruth Cousins (3)	Elected by staff
Malcolm Conlon (4)	Elected by parents
Erica Fitzpatrick (4)	Elected by staff
Judy Harrington (3) - resigned 31.8.08	Elected by parents
Mary Mabey (4) - deceased	Elected by staff
Roger Mighton (4)	Elected by parents
Anne Mogridge (4)	Elected by staff
Brentnol Roach (3) - resigned 31.8.08	Elected by parents
Jillian Tiatsop (3) appointed 15.10.08	Elected by parents

- 1 Finance, Premises & General Purposes Committee
- 2 Standards Committee
- 3 Hatcham Liaison Committee
- 4 Knights Liaison Committee

CHIEF EXECUTIVE OFFICER Dr Liz Sidwell

CHIEF FINANCIAL OFFICER,  
COMPANY SECRETARY &  
CLERK TO THE GOVERNORS Paul Durgan

SENIOR MANAGEMENT TEAM Michele Adamson, Principal Hatcham – resigned 31.8.08  
Yvonne MacCallum, Principal Knights  
Declan Jones, Principal Hatcham – Assistant/Acting Principal  
to 31.8.08, appointed Principal 1.9.08  
Dave Willis, Deputy Principal

PRINCIPAL AND REGISTERED OFFICE Haberdashers' Aske's Hatcham College  
Pepys Road  
London SE14 5SF



# Haberdashers' Aske's Hatcham College Trust

## LEGAL AND ADMINISTRATIVE INFORMATION

31 August 2008

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### ADVISORS

#### AUDITOR

Baker Tilly UK Audit LLP  
Registered Auditor  
Chartered Accountants  
1<sup>st</sup> Floor, 46 Clarendon Road  
Watford  
Herts,  
WD17 1JJ

#### BANKERS

Barclays Bank plc  
Peckham Rye Branch  
223/229 Rye Lane  
Peckham  
London  
SE15 4TY

#### SOLICITORS

Eversheds LLP  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4JL



# Haberdashers' Aske's Hatcham College Trust

## GOVERNORS' REPORT

31 August 2008

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The Governors, who are trustees for the purposes of Charity Law and directors for the purposes of the Companies Act submit their annual report and audited accounts for the year ended 31 August 2008 and confirm that the latter comply with the requirements of the Companies Act 1985, Charities Act 1993, and the Charities Statement of Recommended Practice (SORP) 2005.

### REFERENCE AND ADMINISTRATIVE INFORMATION

The Trust is a charitable company limited by guarantee (registered number 2535091) and a registered charity (registered number 1001489). Particulars of the Trust and its Governors are shown on pages 1 and 2.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The Trust was formed on 28 August 1990 and its principal governing documents are the Memorandum & Articles of Association. The company does not have any share capital. Every member of the 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 and to pay such amounts as may be required not exceeding £1 for the debt and liabilities contracted before he/she ceases to be a member.

#### Governing body

Four Members, who are also Governors, are appointed by the Trust sponsor, the Worshipful Company of Haberdashers. Other Governors, known as Nominated Governors, are also appointed by the Worshipful Company. The Nominated Governors appoint Co-opted Governors, who include four teacher representatives, a local community representative and four parent representatives.

One member is appointed by the Secretary of State for Education.

The names of the Governors are given on page 1.

#### Recruitment and training of Governors

Governors are recruited on the basis of the skills that they will bring to the governing body or on the basis of proposal to the governing body by representative groups. On appointment, Governors receive extensive information relating to the Trust and attend a briefing on the role and responsibilities of Governors. During the year Governors are offered training, particularly in liaison with the Haberdashers' Company.

#### Organisational management

The Governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Children, Schools and Families (DCSF).

All Governors are members of the full board. In addition Governors are members of committees who report to the full board. There are four Governors committees. The Finance, Premises and General Purposes committee reports to the full board on these issues. The Standards Committee has particular responsibility for curriculum and standards related matters. There is a liaison committee for each of the schools in the Trust who deal with pastoral and inclusion issues. The membership of committees is shown on page 1.

The day to day running of the schools is delegated to the Trust executive team under the leadership of the Chief Executive Officer and Chief Financial Officer who attend governor meetings.

#### Group structure and relationships

The Trust has two trading subsidiaries, HAHC Trading Ltd and HAHC Education Ltd and has two partnerships, the South London Consortium and Haberdashers' Aske's School Sports Partnership. The activities of these entities are described on page 6.



# Haberdashers' Aske's Hatcham College Trust

## GOVERNORS' REPORT

31 August 2008

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### Risk management

The Governors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Trust's risk management process is undertaken on an annual basis. The Governors have identified the principal risks affecting the trust as operating within budgets and continuing to deliver improvement in standards. These risks are actively monitored by governing body committees.

The key controls used by the Trust include:

- Formal agendas for all committee and board activity
- Terms of reference for all governor and executive committees
- Comprehensive strategic planning, budgeting and management reporting
- An established organisational structure and clear lines for reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable

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

### OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

#### Charitable Objects

The Trust's objective is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, and continuing to develop a federation of schools, known as the Haberdashers' Aske's Federation. There are two schools in the Federation; Haberdashers' Aske's Hatcham College at New Cross, London and Haberdashers' Aske's Knights Academy at Downham, Bromley. Both schools are designated as Academies within the meaning of the Education Act 2002 and started in this designation from 1 September 2005. Haberdashers' Aske's Hatcham College was a City Technology College prior to this and Haberdashers' Aske's Knights Academy was previously known as Malory School under the control of Lewisham Borough Council. On 1<sup>st</sup> September 2008 Haberdashers' Aske's Hatcham College started offering primary education through the addition of a primary section (known as Hatcham Temple Grove) following the integration of what was formerly Monson School, a maintained primary school under the control of Lewisham Borough Council, into Hatcham college.

#### Aims and intended impact

Our vision is one where all students are inspired to reach their full potential, no matter their ability or background; where aspirations and achievements are constantly raised; where the improvements of standards reflect the needs of the local and wider communities; through the highest quality academic, personal and vocational teaching and guidance.

#### Objectives for the year

The objectives for the year were to focus on continued achievement of academic performance, broadening experience through extension activities and continuing to operate effectively and efficiently within budgets. A key objective for the year was to complete the inclusion of the primary section into Hatcham College.

#### Strategies to achieve the year's objectives

The Trust produces three detailed development plans. These are the Federation development plan for activities across the Trust, and the Haberdashers' Aske's Hatcham College and Haberdashers' Aske's Knights Academy development plans for strategies within the individual schools. The plans form the basis for review of the achievement of the objectives against the plan.



# Haberdashers' Aske's Hatcham College Trust

## GOVERNORS' REPORT

31 August 2008

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The Chief Executive Officer reports on Key Performance Indicators (KPI's) at each main board of Governors meeting. The main KPI's reported for each school include:

**Student roll:** The roll for Hatcham is to be above 1320 and for Knights 800. This was achieved.

**Admissions:** The aim is to ensure that each school is fully subscribed. Hatcham was 12:1 and Knights 5:1 over subscribed.

**Attendance:** The overall aim is to seek attendance above a 95% level. Hatcham achieved this target and Knights was marginally below.

**Permanent exclusions:** The aim is to have permanent exclusions only in exceptional circumstances. Hatcham had three permanent exclusions in the year and Knights had three.

**Exam results:** The target for Hatcham was 95% GCSE A\* - C not including English and Maths and Knights 45%, with 90% and 30% respectively including English and Maths. The target for A level attainment was 300 points. The results obtained are described in the review of the year below.

**Staffing:** Full staffing in each school is the target with only a 10% turnover. In both schools the targets were achieved.

### Principal activities for the year

The principal activity for the year has been the provision of secondary education at each of the two school sites.

### Grant making and social investment policy

Where resources allow, the Trust seeks to ensure that all pupils have equal access to the education on offer at the schools regardless of parental income. The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

The policy of the Trust is to support recruitment and retention of students and employees with disabilities.

### Volunteers

Both schools have active parent associations who contribute time and resources through fundraising to the schools.

## REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

### Operational performance of the schools

Haberdashers Aske's Hatcham College had another outstanding year for examination results. At A Level average points were well above the national average and at GCSE 96% (92% 2007) of students achieved 5 or more A\*-C grades. 91% achieved A\*-C grades in English and Mathematics. Early GCSE entries continued to gain good grades. Students achieving above Level 5 KS3 SATS were good in all subjects, with results above the national average.

Haberdashers' Aske's Knights Academy had a further outstanding improvement in its results with 52% (41% 2007) of students achieving 5 or more A\*-C grades. 22% achieved A\*-C grades in English and Mathematics. Students achieving above Level 5 KS3 SATS results were also improved.

Work with the local community continues to be a priority for the Federation. There is an extensive programme of projects funded jointly by the Trust and the DCSF. In particular, a large number of departments work with



# Haberdashers' Aske's Hatcham College Trust

## GOVERNORS' REPORT

31 August 2008

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Primary Schools providing lessons that use the Trust's first class facilities. The sports hall on the Nunhead playing fields provides further opportunities for developing external links.

Haberdashers' Aske's Knights Academy continues its agreement with Eltham College to use their College Meadow as a sports field and this has proved to be an excellent resource whilst the Academy develops its own playing fields.

The South London Consortium (SLC), for which Hatcham College is the lead school, successfully trained its seventh cohort of 19 graduates who qualified as teachers in July. The decision was made to close SLC on 31<sup>st</sup> July 2008 reflecting the difficulty of growing the consortium to a sustainable level.

Haberdashers' Aske's School Sports Partnership continues to develop and has proved very successful in creating links across the Borough of Lewisham to bring secondary and primary schools into partnership to develop sport.

### Trust capital projects

Knights Academy external play and sport areas were completed, on schedule, in January 2008 and provide outstanding additional external resources.

The Trust entered into an agreement during the year for the purchase of two properties in Launcelot Road opposite the Knights site with the London Borough of Lewisham. The properties have been developed during the year to provide access through to the Westminster School playing fields that lie adjacent to the properties. In addition new sports changing facilities have been developed in existing buildings on the Knights site.

As part of the integration into the Federation of Monson School, to be known as Hatcham Temple Grove, various 'impact works' were undertaken over the summer period. The works included upgrades to the provision of ICT, the playground facilities and security of the site. A major refurbishment project is planned to commence in the summer of 2009 to enhance further the facilities for the primary section of Hatcham College

Major capital projects of the Trust are contracted and managed by the HAHC Education Ltd, the Trust's wholly owned construction subsidiary.

In addition to the major capital works associated with the Academy project, a programme of repairs and upgrading of the Federation facilities has continued during the year. This has included upgrade and refurbishment of the Federation classrooms and the introduction of multimedia facilities.

HAHC Trading Ltd, the Trust's wholly owned trading subsidiary, has continued to operate its lettings business and to build its consultancy business.

The results of the trading subsidiaries are shown in note 26 and are regarded as satisfactory.

### FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Note 19 to the financial statements shows the movement on restricted and unrestricted funds. Total funds of the charity amount to £44,970,213 (2007: £44,680,601), £402,692 (2007: £596,911) of this is freely available, the balance is invested in fixed assets or has a restriction for other purposes including the pension reserve. The Governors have assessed the level of practical available reserves and are confident that there are sufficient levels of reserves to meet current operating needs.

Tangible fixed assets are held for use by the Trust, but in the present property market the Governors are unable to estimate to what extent the current market value of these assets is materially different from that shown in the financial statements.



# Haberdashers' Aske's Hatcham College Trust

## GOVERNORS' REPORT

31 August 2008

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### Reserves policy

The Governors have reviewed the requirement for free reserves, which are those unrestricted funds not invested in fixed assets, designated for specific purpose or otherwise committed. The Governors consider that, since operational finance is available, significant free reserves are not required to be held for the essential operation of the charity. The charity would not be able to continue operations in the current form in the event of a significant drop in grants. The Governors recognise the pension deficit created through FRS 17 may impact the Trust through future contribution rates revisions.

### Investment policy and objectives

The Governors aim to maximise the total investment return within the objectives of maintaining income. All free funds are invested in cash deposits at market rates.

### Communication with employees

The trust ensures that employees are regularly consulted and informed of its activities by means of regular staff meetings, email and events, including consultation within the development planning process.

## FUTURE PLANS

The future plans for the Trust are contained in the development plans referred to above. These seek to continue to deliver a distinct mission: "to value tradition as well as progress and promote excellence". The Trust Federation will be at the cutting edge of national educational initiatives, committed to research and development and to adopting creative solutions that will benefit all Askean students.

The Trust has entered into a feasibility study with the DCSF and London Borough of Bexley with a view to opening an all through (ages 3-18) Academy at Crayford in September 2009.

The new Academies will be firmly rooted in their local communities. In this way, each Academy will have a distinct local character reflecting the area it serves.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Governors in office on the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. The Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the Board of Governors



R Glover  
Governor

19 November 2008



# Haberdashers' Aske's Hatcham College Trust

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

### IN THE PREPARATION OF FINANCIAL STATEMENTS

31 August 2008

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The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Charity and Company law requires the Governors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources which include the income and expenditure of the charity for that year. In preparing these financial statements, the Governors are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) follow applicable statements of recommended practice and UK accounting standards subject to any material departures disclosed and explained in the financial statements; and
- d) prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# Haberdashers' Aske's Hatcham College Trust

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HABERDASHERS' ASKE'S HATCHAM COLLEGE TRUST

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We have audited the financial statements on pages 11 to 29.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

The responsibilities of the Governors (who act as trustees for charitable activities of the trust and are also the directors for the purposes of company law) for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Governors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Governors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Governors' remuneration and other transactions is not disclosed.

We read the Governors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In our opinion:

- (a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the Group as at 31 August 2008 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985;



# Haberdashers' Aske's Hatcham College Trust

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HABERDASHERS' ASKE'S HATCHAM COLLEGE TRUST

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- (b) the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families in respect of the relevant financial year;
- (c) Grants made by the Department for Children, Schools and Families have been applied for the purposes intended; and
- (d) the information given in the Governors' Report is consistent with the financial statements.

*Baker Tilly UK Audit LLP*

BAKER TILLY UK AUDIT LLP  
Registered Auditor  
Chartered Accountants  
1<sup>st</sup> Floor  
46 Clarendon Road  
Watford  
Herts  
WD17 1JJ

*16 December* 2008



# Haberdashers' Aske's Hatcham College Trust

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 August 2008

	Note	Unrestricted general fund £	Restricted general fund £	Restricted fixed asset fund £	Total 2008 £	Total 2007 £
<b>INCOMING RESOURCES:</b>						
Incoming resources from generated funds:						
Voluntary income	4	219,625	-	-	219,625	581,675
Activities for generating funds - trading income	5	472,519	-	597,393	1,069,912	181,419
Investment income	7	68,011	-	-	68,011	83,184
Incoming resources from charitable activities:						
Funding for the academies' educational operations						
Annual per capita grant	2	-	14,984,628	-	14,984,628	12,126,873
Start up grants	2	-	219,616	-	219,616	366,380
Other	2	-	1,787,053	-	1,787,053	2,000,118
Academies Capital Grant	3	-	-	1,257,347	1,257,347	15,958,054
Other incoming resources	6	157,058	-	-	157,058	83,481
<b>TOTAL INCOMING RESOURCES</b>		<b>917,213</b>	<b>16,991,297</b>	<b>1,854,740</b>	<b>19,763,250</b>	<b>31,381,184</b>
<b>RESOURCES EXPENDED:</b>						
Cost of generating funds:						
Trading expenditure		91,220	-	-	91,220	72,059
Charitable activities:						
Academies' educational operations	9	266,041	16,764,371	1,680,486	18,710,898	16,180,353
Governance costs	9	-	151,520	-	151,520	160,486
<b>TOTAL RESOURCES EXPENDED</b>	<b>8</b>	<b>357,261</b>	<b>16,915,891</b>	<b>1,680,486</b>	<b>18,953,638</b>	<b>16,412,898</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>559,952</b>	<b>75,406</b>	<b>174,254</b>	<b>809,612</b>	<b>14,968,286</b>
Gross transfers between funds	24	(234,171)	(239,288)	473,459	-	-
<b>NET INCOMING RESOURCES BEFORE ACTUARIAL (LOSSES)/GAINS ON DEFINED BENEFIT PENSION SCHEME</b>		<b>325,781</b>	<b>(163,882)</b>	<b>647,713</b>	<b>809,612</b>	<b>14,968,286</b>
<b>ACTUARIAL (LOSSES)/GAINS ON DEFINED BENEFIT PENSION SCHEME</b>		<b>(520,000)</b>	<b>-</b>	<b>-</b>	<b>(520,000)</b>	<b>323,000</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(194,219)</b>	<b>(163,882)</b>	<b>647,713</b>	<b>289,612</b>	<b>15,291,286</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 SEPTEMBER 2007</b>		<b>596,911</b>	<b>376,839</b>	<b>43,706,851</b>	<b>44,680,601</b>	<b>29,389,315</b>
<b>FUNDS CARRIED FORWARD AT 31 AUGUST 2008</b>		<b>402,692</b>	<b>212,957</b>	<b>44,354,564</b>	<b>44,970,213</b>	<b>44,680,601</b>

All of the above results are derived from continuing activities.

The Statement of Financial Activities analyses all the capital and incoming resources and expenditure during the year and reconciles the movements in funds. Accordingly no Statement of Total Recognised Gains and Losses has been prepared. The surplus for the year for Companies Act purposes comprises the net movement in funds and was £809,612 (2007: £14,968,286).



# Haberdashers' Aske's Hatcham College Trust

## CONSOLIDATED AND CHARITY BALANCE SHEETS

as at 31 August 2008

		Group		Charity	
		2008	2007	2008	2007
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	14	44,354,564	43,200,636	44,351,761	43,196,105
Investment in subsidiary	26	-	-	2	2
		<u>44,354,564</u>	<u>43,200,636</u>	<u>44,351,763</u>	<u>43,196,107</u>
<b>CURRENT ASSETS</b>					
Stocks and Work in Progress	15	11,757	10,047	11,757	10,047
Debtors	16	349,844	1,473,036	1,794,234	2,071,618
Cash at bank and in hand		2,219,345	3,289,997	909,131	2,030,355
		<u>2,580,946</u>	<u>4,773,080</u>	<u>2,715,122</u>	<u>4,112,020</u>
CREDITORS: amounts falling due within one year	17	(1,577,196)	(3,360,950)	(1,708,571)	(2,695,361)
<b>NET CURRENT ASSETS</b>		<u>1,003,750</u>	<u>1,412,130</u>	<u>1,006,551</u>	<u>1,416,659</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>45,358,314</u>	<u>44,612,766</u>	<u>45,358,314</u>	<u>44,612,766</u>
CREDITORS: amounts falling due after more than one year	18	(18,101)	(71,165)	(18,101)	(71,165)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>		<u>45,340,213</u>	<u>44,541,601</u>	<u>45,340,213</u>	<u>44,541,601</u>
Pension Scheme (Liability)/surplus	13	(370,000)	139,000	(370,000)	139,000
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		<u>44,970,213</u>	<u>44,680,601</u>	<u>44,970,213</u>	<u>44,680,601</u>
<b>FUNDS</b>					
Restricted Fixed Asset fund	19	44,354,564	43,706,851	44,354,564	43,706,851
Restricted General fund	19	212,957	376,839	212,957	376,839
Unrestricted General fund	19	402,692	596,911	402,692	596,911
		<u>44,970,213</u>	<u>44,680,601</u>	<u>44,970,213</u>	<u>44,680,601</u>

Approved and authorised for issue by the Governors on 19 November 2008 and signed on their behalf by



R Glover  
Chairman



# Haberdashers' Aske's Hatcham College Trust

## CONSOLIDATED CASH FLOW STATEMENT

31 August 2008

	<i>Note</i>	2008 £	2007 £
NET INCOMING RESOURCES		809,612	14,968,286
Less: Interest received		(68,011)	(83,184)
Add: Depreciation		1,682,216	1,587,179
(Increase)/decrease in stocks		(1,710)	104,864
Decrease in debtors		1,123,192	1,462,209
Decrease in creditors		(1,786,818)	(1,345,155)
Impact of pension provision		(11,000)	79,000
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>1,747,481</u>	<u>16,773,199</u>
		2008 £	2007 £
CASHFLOW STATEMENT			
Net cash inflow from operating activities		1,747,481	16,773,199
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		<u>68,011</u>	<u>83,184</u>
		1,815,492	16,856,383
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		<u>(2,836,144)</u>	<u>(15,896,568)</u>
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(1,020,652)	959,815
MANAGEMENT OF LIQUID RESOURCES AND FINANCING			
Haberdashers' Aske's Charity loan repayment		<u>(50,000)</u>	<u>(50,000)</u>
NET (DECREASE)/INCREASE IN CASH	25	<u>(1,070,652)</u>	<u>909,815</u>



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

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### 1 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the accounts are described below.

#### *Format of accounts*

The standard formats for the accounts as required by the Companies Act 1985, Schedule 4 Part 1 have been adapted to provide more appropriate information which complies with the Statement of Recommended Practice (SORP) 2005 "Accounting and Reporting by Charities" published in March 2005 and reflects the activities of the Trust.

The consolidated financial statements consolidate the results of the Trust and its subsidiary companies. Advantage has been taken of the exemption available not to prepare a Statement of Financial Activities for the Trust, as set out in the SORP, paragraph 397.

#### *Company status*

The charity is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### *Accounting convention*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Recognition of income*

Income received for specific purposes is included in the Statement of Financial Activities and if unspent carried forward as part of restricted funds. Capital grants are restricted fixed asset funds, these are credited to the restricted fixed asset fund in the Statement of Financial Activities in the year of receipt. The annual recurrent grant from the DCSF, which is intended to meet recurrent costs, is credited direct to the statement of financial activities.

#### *Voluntary income*

Voluntary income and 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.

#### *Investment income*

Investment income is included within the Statement of Financial Activities on a receivable basis.

#### *Allocation of costs between direct provision of education and other expenditure*

In accordance with the Charities SORP, expenditure has been analysed between the costs of generating funds, Academies' 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; these include:

Cost category	Basis of apportionment
Maintenance of premises	Capacity of accommodation utilised/ratio of staff
Other occupancy costs	Capacity of accommodation utilised/ratio of staff
Depreciation	Usage of assets

#### *Governance costs*

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including external audit, strategic management and Governors' meetings and reimbursed expenses.

#### *Tangible fixed assets*

Tangible fixed assets acquired since the Trust was established are included in the accounts at cost.



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

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### 1 ACCOUNTING POLICIES (continued)

#### *Tangible fixed assets (continued)*

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. The related grants are credited to a deferred income account and released to the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The fixed asset grants are credited to the statement of financial activities on a receivable basis.

Equipment costing less than £1,250 per individual item is written off in the year of acquisition. All other equipment is capitalised.

All refurbishment costs are written off in the year incurred unless they substantially enhance the value of the building, in which case they are capitalised.

#### *Depreciation*

Tangible fixed assets are written off over their estimated useful lives on a straight line basis at the following rates:

Freehold land and buildings	0%
Leasehold buildings	2%
Fixture and fittings	20%
Office and Trust equipment	20%
Motor Vehicles	33%

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value.

#### *Leased assets*

Rentals payable under operating leases are charged to the statement of financial activities as incurred.

#### *Taxation*

The Trust continues to qualify for the exemptions from income and corporation tax contained in the Income and Corporation Taxes Act 1988 and no tax liability has arisen for the period. The cost of irrecoverable Value Added Tax incurred by the Trust is included in the Statement of Financial Activities.

#### *Pension costs*

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Children, Schools and Families. Costs include normal and supplementary contributions. The regular cost is the normal contributions, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Variations from the regular pension cost are met by a supplementary contribution. This occurs if, as a result of the actuarial investigations, it is found that the accumulated liabilities for the benefits to past and present teachers are not fully covered by normal contributions to be paid in the future and by the fund built up from past contributions. The normal and supplementary contributions are charged to the income and expenditure account in the year.

Certain non-teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS) of the London Borough of Lewisham. The LGPS is a defined benefit scheme, and the requirements of Financial Reporting Standard 17 (Retirement Benefits) have been followed.

Other non-teaching employees are offered membership of a defined contribution scheme. The assets of this scheme are held separately from those of the Trust. The pension costs for that scheme represent the contributions payable by the Trust in the year.



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

### 2 GENERAL ANNUAL GRANT (GAG) AND OTHER FUNDING

	2008 £	2007 £
Annual per capita grant	14,984,628	12,126,873
Start up grants	219,616	366,380
Other grants:		
LEA Standard Fund	872,392	1,170,808
Lewisham School Sports Partnership	363,798	333,641
SEN Statement Funding	378,037	337,021
Catering Income	172,824	158,648
Carry over from previous year	376,840	381,792
<b>TOTAL GAG AVAILABLE TO SPEND</b>	<b>17,368,135</b>	<b>14,875,163</b>
Net GAG revenue expenditure	(17,065,890)	(14,349,063)
Fixed assets purchased from GAG (See Note 19)	(89,288)	(149,260)
<b>UNDERSPENT GAG</b>	<b>212,957</b>	<b>376,840</b>

### 3 OTHER GRANTS

	2008 £	2007 £
DCSF (formerly DfES)		
Capital grants	1,257,347	15,958,054
	<b>1,257,347</b>	<b>15,958,054</b>

### 4 VOLUNTARY INCOME

	2008 £	2007 £
Donations – trust and corporate		
Haberdashers' Aske's Charity	212,400	562,000
Dyson Memorial Fund	7,000	5,000
Schroders' & Haberdashers' charity	225	14,675
	<b>219,625</b>	<b>581,675</b>



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

5	TRADING INCOME			2008 £	2007 £
	Hire of facilities			100,663	109,796
	Training and consultancy			371,856	71,623
	Other income			597,393	-
				<u>1,069,912</u>	<u>181,419</u>
6	OTHER INCOMING RESOURCES			2008 £	2007 £
	Sundry ancillary income, including teacher training			<u>157,058</u>	<u>83,481</u>
7	INVESTMENT INCOME			2008 £	2007 £
	Bank interest			<u>68,011</u>	<u>83,184</u>
8	TOTAL RESOURCES EXPENDED			Total 2008 £	Total 2007 £
		Staff costs £	Depreciation £	Other costs £	
	Academies' Educational operations:				
	Direct costs	8,938,545	1,335,129	2,503,131	12,776,805
	Allocated support costs	3,473,879	345,358	2,114,856	5,934,093
		<u>12,412,424</u>	<u>1,680,487</u>	<u>4,617,987</u>	<u>18,710,898</u>
	Cost of generating trading income	40,727	1,729	48,764	91,220
	Governance costs	64,258	-	87,262	151,520
		<u>12,517,409</u>	<u>1,682,216</u>	<u>4,754,013</u>	<u>18,953,638</u>
8A	NET INCOMING RESOURCES			Total 2008 £	Total 2007 £
	Net incoming resources are stated after charging				
	Auditor's remuneration:				
	External audit – Baker Tilly UK Audit LLP			42,006	39,245
	Tax compliance – Baker Tilly Tax and Advisory Services LLP			2,585	2,468
	Other advisory services – Baker Tilly Tax and Advisory Services LLP			7,285	15,511
	Depreciation			<u>1,682,216</u>	<u>1,587,189</u>



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

### 9 CHARITABLE ACTIVITIES – ACADEMIES' EDUCATIONAL OPERATIONS

	2008 £	2007 £
<b>Direct Costs</b>		
Teaching and educational support staff costs	8,938,545	7,982,463
Depreciation	1,277,170	1,205,108
Books, apparatus and stationery	1,704,446	1,023,344
Examination fees	223,444	188,619
Staff development	96,211	64,713
Fees for external advice	31,756	30,780
Other direct costs	505,233	391,910
	<u>12,776,805</u>	<u>10,886,937</u>
<b>Allocated Support Costs</b>		
Support staff costs	3,473,879	3,132,934
Depreciation	403,317	380,560
Pupil recruitment and support	230,008	142,567
Maintenance of premises and equipment	376,218	243,854
Cleaning	294,305	171,843
Rent and rates	65,875	45,929
Heat and light	249,030	208,765
Insurance	94,155	92,364
Security	87,843	65,614
Transport	1,030	30,374
Catering	247,502	230,601
Technology costs	409,909	545,285
Bank interest and charges	1,022	2,726
	<u>5,934,093</u>	<u>5,293,416</u>
	<u>18,710,898</u>	<u>16,180,353</u>
<b>Governance Costs</b>		
	2008 £	207 £
Management time	64,258	83,045
Legal and professional fees	45,256	38,196
External Audit fees - Baker Tilly UK Audit LLP	42,006	39,245
	<u>151,520</u>	<u>160,486</u>

### 10 EMOLUMENTS OF GOVERNORS

The Governors did not receive any payment for their services or reimbursement of expenses.

### 11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Trust has purchased insurance to protect Governors and Officers from claims arising from allegations of negligence and errors or omissions occurring whilst on Trust business. The insurance provided covers up to £1,000,000 in respect of all claims first made during any one period of insurance. The cost of the cover was £945 (2007: £900).



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

12	STAFF COSTS	2008 £	2007 £
	Wages and salaries	10,460,996	9,397,063
	Social security costs	851,022	801,410
	Other pension costs (see note 13)	1,205,391	1,041,465
		<u>12,517,409</u>	<u>11,239,938</u>

The number of employees earning in excess of £60,000 were:

	Number	Number
£60,001 - £70,000	1	1
£70,001 - £80,000	2	2
£80,001 - £90,000	2	2
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>7</u>	<u>7</u>

Four higher paid employees are members of the Teachers' Pension Scheme. One higher paid employee is a member of the Local Government Pension Scheme.

The average number of persons (including senior postholders) employed by the charity during the period expressed as full time equivalents was:

	Number	Number
Management	15	15
Support	140	126
Teachers	147	132
	<u>302</u>	<u>273</u>

13	PENSION COSTS	2008 £	2007 £
	Other pension costs included in staff costs comprise:		
	Defined benefit scheme - regular cost	762,213	678,209
	Defined benefit scheme - impact of LGPS	-	29,000
	Defined contribution scheme	443,178	334,256
		<u>1,205,391</u>	<u>1,041,465</u>

There are three pension schemes available to employees of the Trust. These are the Teachers' Pension Scheme, the Haberdashers' Aske's Hatcham College Trust Retirement Benefits scheme and the Local Government Pension Scheme (LGPS), administered by the London Borough of Lewisham.

### *Teachers' Pension Scheme (TPS)*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities (LAs), to teachers in many independent and voluntary-aided



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

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### 13 PENSION COSTS (CONTINUED)

schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers or lecturers and from 1 January 2007 automatic too for teachers or lecturers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has accounted for its contributions as if it were a defined contribution scheme. Contributions made in the year amounted to £962,213 (2007: £678,209).

Although teachers are employed by LAs and various other 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 Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account will be 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.

Not less than every four years, with a supporting interim valuation in-between, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

Contributions are assessed in two parts. Firstly, a standard contribution is determined. This is the contribution, expressed as a percentage of the salary of a teacher / lecturer entering service, which would 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 normal contributions to be paid in future and by the fund built up from past contributions.

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%.

From 1 January 2007, and as part of the cost sharing agreement between employer and union representatives, the standard contribution rate will be 19.75% plus a supplementary contribution rate of 0.75%; a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost sharing agreement will also introduce, for the first time from the 2008 valuation, a 14% cap on employer contributions payable.

#### *Haberdashers' Aske's Hatcham College Trust Retirement Benefits Scheme*

The Trust has arranged a Money Purchase Scheme, administered by Scottish Equitable, for those staff who wish to avail themselves of the facility. The assets of the scheme are held separately from those of the Trust in an independently administered fund. This scheme is a defined contribution scheme. The Trust contribution rate has been 10% from 1 January 2004.



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

### 13 PENSION COSTS (CONTINUED)

#### *Local Government Pension Scheme (LGPS)*

Non teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Trust's share of assets and liabilities, and the requirements of Financial Reporting Standard 17 (Retirement Benefits) have been followed.

The Trust's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognized as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the Statement of Financial Activities.

The following information is based upon a full actuarial valuation of the fund at 31 March 2004, updated to 31 August 2008 by a qualified independent actuary.

The major assumptions used by the actuary were:

	At 31 August 2008 (% pa)	At 31 August 2007 (% pa)	At 31 August 2006 (% pa)
Pension increase rate	4.0%	3.4%	3.1%
Rate of increase in salaries	5.5%	4.9%	4.6%
Rate of increase in pensions	4.0%	3.4%	3.1%
Discount rate for liabilities	6.4%	5.8%	5.0%

The trust's share of the assets and liabilities in the scheme and the expected rate of return were:

Assets (employer)	Long Term Return at 31 August 2008 % p.a.	Assets at 31 August 2008 £(000)	Long term Return at 31 August 2007 % p.a.	Assets at 31 August 2007 £(000)	Long Term Return at 31 August 2006 % p.a.	Assets at 31 August 2006 £(000)
Equities	7.5%	2,070	7.9%	1,784	7.6%	1,449
Bonds	5.5%	549	5.2%	418	4.5%	303
Property	5.5%	266	5.9%	288	5.6%	215
Cash	4.6%	61	5.0%	71	4.7%	65
<b>Total fair value of assets</b>	<b>6.9%</b>	<b>2,946</b>	<b>7.2%</b>	<b>2,561</b>	<b>6.8%</b>	<b>2,032</b>
<b>Present value of scheme liabilities</b>		<b>(3,316)</b>		<b>(2,423)</b>		<b>(2,187)</b>
<b>Net pension (liability)/asset</b>		<b>(370)</b>		<b>139</b>		<b>(155)</b>

Analysis of amount chargeable to Statement of Financial Activities

	Year to 31 August 2008 £(000)	Year to 31 August 2007 £(000)
Employer service cost	317	319
Expected return on employer's share of scheme assets	(198)	(148)
Interest on pension liabilities	154	118
Past service cost	58	-
	<b>331</b>	<b>289</b>



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

### 13 PENSION COSTS (CONTINUED)

Amount recognised in actuarial gains within Statement of Financial Activities

	Year to 31 August 2008 £(000)	Year to 31 August 2007 £(000)
Actual return less expected return on pension scheme assets	(243)	108
Changes in financial assumptions underlying the present value of scheme liabilities	(277)	215
	<u>(520)</u>	<u>323</u>

#### MOVEMENT IN DEFICIT DURING THE YEAR

	2008 £(000)	2007 £(000)
Surplus/(deficit) in the scheme recognized at 1 September 2007	139	(155)
Movement in the year:		
Current service cost	(317)	(319)
Employer contributions	342	260
Expected return on employer assets	198	148
Interest on pension scheme liabilities	(154)	(118)
Actuarial (losses)/gains	(520)	323
Past service costs	(58)	-
(Deficit)/surplus in the scheme at 31 August 2008	<u>(370)</u>	<u>139</u>

#### RECONCILIATION OF DEFINED BENEFIT OBLIGATION

	2008 £(000)	2007 £(000)
Opening defined benefit obligation	2,423	2,187
Current service cost	317	319
Interest cost	154	118
Contributions by members	120	98
Actuarial losses/(gains)	277	(215)
Past service costs	58	-
Estimated benefits paid	(33)	(84)
Closing defined benefit obligation	<u>3,316</u>	<u>2,423</u>

#### RECONCILIATION OF FAIR VALUE OF EMPLOYER ASSETS

	Year to 31 August 2008 £(000)	Year to 31 August 2007 £(000)
Opening fair value of employer assets	2,562	2,032
Expected return on assets	198	148
Contributions by members	120	98
Contributions by the employer	342	260
Actuarial (losses)/gains	(243)	108
Estimated unfunded benefits paid	-	-
Estimated benefits paid	(33)	(84)
Closing fair value of employer assets	<u>2,946</u>	<u>2,562</u>



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

### 14 TANGIBLE FIXED ASSETS

GROUP	Freehold and Long leasehold land and buildings £	Fixtures and fittings £	Office and Trust equipment £	Motor vehicles £	Total £
<b>COST</b>					
At 1 September 2007	44,843,910	2,574,241	4,918,092	109,450	52,445,693
Additions	2,258,386	11,198	566,560	-	2,836,144
At 31 August 2008	47,102,296	2,585,439	5,484,652	109,450	55,281,837
<b>DEPRECIATION</b>					
At 1 September 2007	3,808,217	2,546,874	2,823,004	66,962	9,245,057
Charge for the year	941,361	14,639	697,196	29,020	1,682,216
At 31 August 2008	4,749,578	2,561,513	3,520,200	95,982	10,927,273
<b>NET BOOK VALUES</b>					
At 31 August 2008	42,352,718	23,926	1,964,452	13,468	44,354,564
At 31 August 2007	41,035,693	27,367	2,095,088	42,488	43,200,636
<b>CHARITY</b>					
<b>COST</b>					
At 1 September 2007	44,843,910	2,574,241	4,897,338	109,450	52,424,939
Additions	2,258,386	11,198	566,560	0	2,836,144
At 31 August 2008	47,102,296	2,585,439	5,463,898	109,450	55,261,083
<b>DEPRECIATION</b>					
At 1 September 2007	3,808,217	2,546,874	2,806,781	66,962	9,228,834
Charge for the year	941,361	14,639	695,468	29,020	1,680,488
At 31 August 2008	4,749,578	2,561,513	3,502,249	95,982	10,909,322
<b>NET BOOK VALUES</b>					
At 31 August 2008	42,352,718	23,926	1,961,649	13,468	44,351,761
At 31 August 2007	41,035,693	27,367	2,090,557	42,488	43,196,105



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

### 14 TANGIBLE FIXED ASSETS (continued)

The charity net book value at 31 August 2008 represents fixed assets used for:

CHARITABLE PURPOSES:	Long leasehold land and buildings £	Fixtures and fittings £	Office and Trust equipment £	Motor vehicle £	Total
Educational provision	32,188,066	18,184	1,647,785	11,313	33,865,348
Support services	10,164,652	5,742	313,864	2,155	10,486,413
	<u>42,352,718</u>	<u>23,926</u>	<u>1,961,649</u>	<u>13,468</u>	<u>44,351,761</u>

SOURCE OF FUNDING FOR CHARITY TANGIBLE FIXED ASSETS	2008 £	2007 £
DCSF (formerly DfES) Capital grants	45,969,119	44,332,527
Recurrent funding	2,025,345	1,936,057
Private sector	7,266,619	6,156,355
	<u>55,261,083</u>	<u>52,424,939</u>

15 STOCKS	2008 £	Group 2007 £	2008 £	Charity 2007 £
School uniforms	<u>11,757</u>	<u>10,047</u>	<u>11,757</u>	<u>10,047</u>

16 DEBTORS	2008 £	Group 2007 £	2008 £	Charity 2007 £
Trade debtors	317,609	76,531	81,901	45,268
Capital grant	-	855,439	-	855,439
Amounts owed from subsidiary undertaking	-	-	11,431	31,808
Gift Aid due to Trust	-	-	1,668,667	1,102,625
Other debtors	6,453	519,932	6,453	15,344
Prepayments and accrued income	25,782	21,134	25,782	21,134
	<u>349,844</u>	<u>1,473,036</u>	<u>1,794,234</u>	<u>2,071,618</u>



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

17	CREDITORS: amounts falling due within one year	Group		Charity
		2008	2007	2008
		£	£	£
	Haberdashers' Aske's Charity loan (see note 18 )	26,667	50,000	50,000
	Trade creditors	419,591	619,723	172,880
	Amount owed to subsidiary undertaking	-	-	1,968,881
	Taxation and social security	299,174	241,641	241,641
	Other creditors	164,900	173,135	173,135
	Accruals and deferred income	666,864	2,276,451	88,824
		<u>1,577,196</u>	<u>3,360,950</u>	<u>2,695,361</u>

18	CREDITORS: amounts falling due after more than one year	Group		Charity
		2008	2007	2008
		£	£	£
	Haberdashers' Aske's Charity loan	-	26,667	26,667
	Other creditors	18,101	44,498	44,498
		<u>18,101</u>	<u>71,165</u>	<u>71,165</u>

The Haberdashers' Aske's Charity loan is unsecured and has been approved by the DCSF (formerly DfES). The loan repayments of the principal sum are indexed to the RPI. The RPI adjustment is repayable annually. The repayments, excluding the annual RPI adjustment, will fall due as follows:

In one year or less (see note 17)	£
Between one and two years	26,667
	<u>26,667</u>



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

### 19 STATEMENT OF FUNDS

	1 September 2007 £	Incoming Resources £	Resources Expended £	Transfers and Actuarial Gains £	31 August 2008 £
General Annual Grant (GAG)	-	16,407,883	(16,375,853)	(239,288)	(207,258)
Start Up grant	376,839	219,616	(423,371)	-	173,084
Other grants	-	363,798	(116,667)	-	247,131
<b>TOTAL RESTRICTED GENERAL FUNDS</b>	<b>376,839</b>	<b>16,991,297</b>	<b>(16,915,891)</b>	<b>(239,288)</b>	<b>212,957</b>
DCSF capital grant	37,524,494	1,257,347	(1,680,486)	-	37,101,355
Recurrent funding	1,215,255	-	-	239,288	1,454,543
Private sector	4,967,102	597,393	-	234,171	5,798,666
<b>TOTAL FIXED ASSET FUND</b>	<b>43,706,851</b>	<b>1,854,740</b>	<b>(1,680,486)</b>	<b>473,459</b>	<b>44,354,564</b>
<b>TOTAL RESTRICTED FUNDS</b>	<b>44,083,690</b>	<b>18,846,037</b>	<b>(18,596,377)</b>	<b>234,171</b>	<b>44,567,521</b>
<b>UNRESTRICTED FUND</b>					
- General	596,911	917,213	(357,261)	(754,171)	402,692
<b>TOTAL FUNDS</b>	<b>44,680,601</b>	<b>19,763,250</b>	<b>(18,953,638)</b>	<b>(520,000)</b>	<b>44,970,213</b>

The General Annual Grant (GAG) must be used for the normal running costs of the Trust, including salaries and related costs, overheads, repairs and maintenance and insurance. The Trust is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of the GAG can be used for general purposes at the discretion of the Trust but any balance over 2% must be used for capital purposes.

Other grants include the London Borough of Lewisham Standards Funds, the London Borough of Lewisham Masterclass Grant, Haberdashers' Aske's Schools Sports Partnership funding, and SEN Statements Funds.

The fixed asset funds have been set up to assist in identifying those funds that are not free funds and they represent the net book value of group tangible fixed assets.

The unrestricted fund represents the general funds of the charity which are not designated for particular purposes.

The transfer between the restricted general funds and the fixed asset fund relates to fixed assets purchased from the GAG.



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

### 20 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total £
Tangible fixed assets and investments	-	44,354,564	-	44,354,564
Current assets	969,029	-	1,611,917	2,580,946
Current liabilities	(196,337)	-	(1,380,859)	(1,577,196)
Long term liabilities	-	-	(18,101)	(18,101)
Pension scheme liability	(370,000)	-	-	(370,000)
	<u>402,692</u>	<u>44,354,564</u>	<u>212,957</u>	<u>44,970,213</u>

### 21 CAPITAL COMMITMENTS

No capital expenditure has been contracted for at 31 August 2008 (2007: £Nil).

### 22 OPERATING LEASES

Financial commitments under non-cancellable operating leases for plant and machinery will result in the following payments falling due in the year to 31 August 2008:

	2008 £	2007 £
Expiring within one year	13,133	30,583
Expiring within two and five years	18,099	44,498
	<u>31,232</u>	<u>75,081</u>

### 23 CONTINGENT LIABILITIES

In the event, during the period of the Funding Agreement, of the sale or disposal by other means of any asset for which a capital grant was received, the Trust shall, if it does not reinvest the proceeds, repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

On termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Trust's sites and premises and other assets held for the purpose of the Trust; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State under the Funding Agreement.



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

### 24 TRANSFERS BETWEEN FUNDS

The transfers relate to items financed from unrestricted and restricted general funds. The transfers have been made in accordance with the guidance from the DCSF in order to equate the fixed asset funds to the amount of tangible fixed assets, and to recognise the pension scheme liability within unrestricted general funds.

### 25 NOTE TO CASHFLOW STATEMENT

ANALYSIS OF CHANGES IN NET FUNDS	1 September 2007 £	Cash flows £	31 August 2008 £
Cash at bank and in hand	3,289,997	(1,070,652)	2,219,345
Debt due within one year	(50,000)	23,333	(26,667)
Debt due after one year	(26,667)	26,667	-
	<u>3,213,330</u>	<u>(1,020,652)</u>	<u>2,192,678</u>

### 26 SUBSIDIARY COMPANIES

The charity acts as the ultimate parent undertaking, having 100% control, of HAHC Trading Ltd, a company limited by guarantee and registered in England. The subsidiary is used for non-primary purpose trading activities.

All activities have been consolidated on a line by line basis in the Statement of Financial Activities. The total net profit is gifted to the charity.

A summary of the trading results and balance sheet of the subsidiary company is shown below:

	2008 £	2007 £
<b>PROFIT AND LOSS ACCOUNT</b>		
Turnover	472,519	181,419
Other operating expenses	(91,220)	(72,059)
Net profit	<u>381,299</u>	<u>109,360</u>
Amount gifted to the charity	(381,299)	(109,360)
Retained in subsidiary	<u>-</u>	<u>-</u>
<b>BALANCE SHEET</b>		
Assets	413,246	128,536
Liabilities	(413,246)	(128,536)
Net funds	<u>-</u>	<u>-</u>



# Haberdashers' Aske's Hatcham College Trust

## NOTES TO THE FINANCIAL STATEMENTS

31 August 2008

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### 26 SUBSIDIARY COMPANIES (*continued*)

The charity also owns the whole of the issued ordinary share capital of HAHC Education Ltd, a company registered in England. The subsidiary is used for construction activities.

All activities have been consolidated on a line by line basis in the Statement of Financial Activities. The total net profit is gifted to the charity.

A summary of the trading results and balance sheet of the subsidiary company is shown below:

PROFIT AND LOSS ACCOUNT	2008	2007
	£	£
Turnover	3,759,014	17,201,145
Operating and administrative expenses	(2,473,646)	(16,207,880)
Net profit	1,285,368	993,265
Amount gifted to the charity	(1,285,368)	(993,265)
Retained in subsidiary	-	-
 BALANCE SHEET	 2008	 2007
	£	£
Assets	1,790,235	3,275,608
Liabilities	(1,790,233)	(3,275,606)
Net funds	2	2

### 27 POST BALANCE SHEET EVENT

On the 1<sup>st</sup> September 2008 the primary section of Haberdashers' Aske's Hatcham College (known as Hatcham Temple Grove) opened. Hatcham Temple Grove was formerly Monson Primary School maintained by the London Borough of Lewisham.