

Haberdashers' Aske's Federation Trust
(Formerly Haberdashers' Aske's Hatcham College Trust)

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 August 2009



Company Registration Number 2535091
Charity Registration Number 1001489

Haberdashers' Aske's Federation Trust
REPORT AND FINANCIAL STATEMENTS
31 August 2009

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Haberdashers' Aske's Federation Trust

GOVERNORS' REPORT

31 August 2009

LEGAL AND ADMINISTRATIVE INFORMATION

NOMINATED GOVERNORS

| | |
|---|---------------------|
| Richard Glover (1) | Chairman, Member |
| Andrew Barlow (4), (5) | |
| Canon Owen Beament (3) | |
| Michael Baughan | |
| Anthony Cann (1), (3) | |
| Rupert Elliott (4) – appointed 1 9 08 | Member |
| Harriet Harris (2) – resigned 31 8 09 | |
| Tristram Jones-Parry (2), (4) | |
| Nicholas Lund (1) | Member |
| Richard Lund (5) – appointed 1 9 09 | |
| Dr Helen Murphy (2) | |
| Revd James Power (2) | Member |
| Owen Saxton – appointed 1 9 09 | |
| Alex Smith-Bingham (1) | Responsible Officer |
| Emma Jenks (2), (3) | |
| Jane Waller (5) | |
| The Master of the Worshipful Company of Haberdashers (Ex Officio) – Mark Powell to 24 th November 2009, George Pulman from 24 th November 2009 | |

CO-OPTED GOVERNORS

| | |
|---|------------------------------|
| Carol Broomfield (2) | Elected by staff |
| Andrew Brown (4) | Representing local community |
| Daniel Confino (2) | Elected by parents |
| Ruth Cousins (3) | Elected by staff |
| Malcolm Conlan (4) | Elected by parents |
| Erica Fitzpatrick – appointed 1 9 09 (4) | Elected by staff |
| Di Gramolt (5) - appointed 1 9 09 | Temple Grove Trust |
| Philip Lough (3) | Temple Grove Trust |
| Geraldine Lucia Hennis (5) – appointed 1 9 09 | Representing local community |
| Roger Mighton (4) | Elected by parents |
| Anne Mogrige – resigned 31 8 09 (4) | Elected by staff |
| Dorothy Pennington Jones (5) – appointed 1 9 09 | Elected by staff |
| Jillian Yanno Tiatsop – appointed 3 11 08 (3) | Elected by parents |

| | |
|---|---|
| 1 | Finance, Premises & General Purposes Committee |
| 2 | Academic Standards Committee |
| 3 | Hatcham Liaison Committee |
| 4 | Knights Liaison Committee |
| 5 | Crayford Liaison Committee with effect from 1 08 09 |

CHIEF EXECUTIVE OFFICER Dr Liz Sidwell CBE

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

SENIOR MANAGEMENT TEAM Andrew Day, Principal Knights Academy
Declan Jones, Principal Hatcham College
David Willis, Principal Crayford Academy

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

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GOVERNORS' REPORT
31 August 2009

ADVISORS

AUDITOR

Baker Tilly UK Audit LLP
Registered Auditor
Chartered Accountants
1st 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
1 Wood St
London
EC2V 7WS

Haberdashers' Aske's Federation Trust

GOVERNORS' REPORT

31 August 2009

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 2009 and confirm that the latter comply with the requirements of the Companies Act 2006, Charities Act 2006, 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

The Trust changed its name from Haberdashers' Aske's Hatcham College Trust to Haberdashers' Aske's Federation Trust following a meeting of the members on the 26th November 2009

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 The Memorandum and Articles of Association were changed by special resolution at the Annual General Meeting of members on 2nd March 2009 The changes allow for the Secretary of State for Children Schools and Families to direct the governors of the Trust in certain limited circumstances where the quality of education is deemed unsatisfactory The changes also allow additional governors to be appointed on the opening of Haberdashers' Aske's Crayford Academy

Governing body

The Trust sponsor, the Worshipful Company of Haberdashers, appoints four members, who are also governors The Worshipful Company also appoints other governors, known as Nominated Governors The Nominated Governors appoint Co-opted Governors, who include two representatives of the Temple Grove Trust, six teacher representatives, two local community representatives and five parent representatives

The Secretary of State for Children, Schools and Families appoints one member

The names of the governors are given on page 1

Recruitment and training of governors

Governors are recruited based on the skills that they will bring to the governing body or based on a 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, both in liaison with the Haberdashers' Company and the Federation

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 five governors committees The Finance, Premises and General Purposes committee reports to the full board on finance issues The Academic Standards Committee has 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 There is an agreed specific remit for the committees which is reviewed annually

Haberdashers' Aske's Federation Trust

GOVERNORS' REPORT

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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 one collaborative arrangement, the Haberdashers' Aske's School Sports Partnership. The activities of these entities are described on page 7

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 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

The governors assess the principal risks to the Trust of any changes in the funding arrangements as a result of political decisions outside of the control of the governors and changes in legislation, poor or declining results and failure in safeguarding of students

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

Statement on the system of internal finance control

The governors acknowledge their overall responsibility for ensuring that Trust has an effective and appropriate system of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure the financial statements comply with the relevant Companies Act. They also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that -

- The Trust is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition,
- The proper records are maintained and financial information used within the Trust or for publication is reliable;
- The Trust complies with relevant laws and regulations.

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;

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- regular reviews by the Finance, Premises and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The governing body nominates an appropriately experienced governor to act as a responsible officer and report to the Finance, Premises and General Purposes Committee on weaknesses in internal financial controls. The responsible officer reported no material weaknesses in the year to 31st August 2009.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Trust 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 three schools in the Federation, Haberdashers' Aske's Hatcham College at New Cross, London, Haberdashers' Aske's Knights Academy at Downham, Bromley and, with effect from the 1st September 2009, Haberdashers' Aske's Crayford Academy at Barnes Cray, Bexley. The three schools are designated as Academies within the meaning of the Education Act 2002. Hatcham College and Crayford Academy offer education for children aged three to eighteen and Knights Academy offers education to children aged eleven to eighteen.

Aims and intended impact

The governors 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 attainment of academic performance, broadening experience through extension activities and continuing to operate effectively and efficiently within budgets. The key objective for the year was to complete the integration of the primary section into Hatcham College and to make adequate preparation for the opening of Haberdashers' Aske's Crayford Academy in September 2009.

Strategies to achieve the year's objectives

The Trust produced three detailed development plans for the year ended 31st August 2009. These are the Federation development plan for activities across the Trust, with additional development plans for strategies within the individual schools. The plans form the basis for review of the achievement of the objectives against the plan.

The Chief Executive Officer reports on Key Performance Indicators (KPIs) at each main board of governors meeting. The main KPIs reported for each school include:

Student roll The roll for Hatcham is to be above 1700 and for Knights 1100. This was achieved.

Admissions The aim is to ensure that each school is fully subscribed. Hatcham was 12/1, Hatcham Temple Grove 3/1 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.

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Permanent exclusions The aim is to have permanent exclusions only in exceptional circumstances Hatcham had two permanent exclusions in the year and Knights had one

Examination results The target for Hatcham was 95% GCSE A* - C not including English and Mathematics and Knights 45% The target for Hatcham was 90% GCSE A* - C including English and Mathematics and Knights 30% The A Level target for the federated sixth form was 300 points per entrant Both schools achieved results in line with their targets as 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 the school sites, with primary education at Hatcham and at Crayford from the 1st September 2009

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

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

PUBLIC BENEFIT

The governors confirm that, to the best of their knowledge and belief, they have complied with section 4 of the Charities Act 2006 in respect of having due regard to public benefit guidance published by the Charity Commission

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 97% (96% 2008) of students achieved 5 or more A*-C grades 90% (91% 2008) achieved 5+ A*-C grades including 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 At KS2 25% achieved level 5 in English and 15% in Mathematics, a marked improvement on the previous year

Haberdashers' Aske's Knights Academy had a further outstanding improvement in its results with 64% (52% 2008) of students achieving 5 or more A*-C grades 35% (19% 2008) achieved A*-C grades in English and Mathematics Students achieving above Level 5 KS3 SATS results were also improved

The federated sixth form achieved 298 points at KS5

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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 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 particularly with the Greenhouse Project (charity providing opportunities for disadvantaged children).

Haberdashers' Aske's Knights Academy continues its agreement with Eltham College to use their College Meadow as a sports field. Knights have benefitted from the completion of works on playing fields leased from Westminster School. The Sports Centre at Knights Academy continues to be a valuable community asset.

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

As part of the integration of Hatcham Temple Grove (formerly Monson School) into the Federation, various 'impact works' were undertaken over the summer of 2008. The works included upgrades to the provision of ICT, the playground facilities and security of the site. A major refurbishment project has commenced in May of 2009 to enhance the facilities of the primary section of Hatcham College. The project is being delivered by the Lewisham Local Education Partnership on behalf of the London Borough of Lewisham under the auspices of the central government Building Schools for the Future Scheme.

Outline planning permission was received in the summer of 2009 for the development of a new secondary school in Crayford to form Haberdashers' Aske's Crayford Academy. The building will be delivered to the Trust in September 2011 by the London Borough of Bexley.

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, has continued to operate its lettings business and to build its consultancy business.

HAHC Education Ltd has continued to provide services to advance the Trust's capital programmes.

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 show the movement on restricted and unrestricted funds. Total funds of the charity amount to £ 42,713,433 (2008 £44,970,213) but only £ 687,258 (2008 £402,692) of this is freely available because 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 available free 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.

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.

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The governors are content that the net liability on the restricted reserve will not crystallise in the foreseeable future. Changes to the employee and employer pension contributions will arise to offset the deficits with effect from the revaluation of the Local Government Pension Scheme due in April 2010 to take effect from April 2011.

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, in particular the opening of Haberdashers' Aske's Crayford Academy in September 2009. 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 new Academies will be firmly rooted in their local communities. In this way, each Academy will have a distinct local character reflecting the area they serve.

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

25.12.09

26th November 2009

Haberdashers' Aske's Federation Trust
STATEMENT OF GOVERNORS' RESPONSIBILITIES
IN THE PREPARATION OF FINANCIAL STATEMENTS
31 August 2009

The governors are responsible for preparing the Governors' Annual Report and the financial statements in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families, United Kingdom Generally Accepted Accounting Practice and applicable law and regulations

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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HABERDASHERS' ASKE'S FEDERATION TRUST

We have audited the group and parent charity financial statements of Haberdashers' Aske's Federation Trust for the year ended 31 August 2009 on pages 11 to 30. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with sections 495 and 496 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 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 Haberdashers' Aske's Federation Trust and are also the directors for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families, applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view 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, have been properly prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families, United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Governors' Report is consistent with those financial statements. We also report to you whether in our opinion grants made by the Department for Children, Schools and Families have been applied for the purposes intended.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with accounting records and returns, if we have not received all the information and explanations we require for our audit, or if disclosures of governors' remuneration, specified by law are not made.

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 judgments made by the governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable parent 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:

- the financial statements give a true and fair view of the state of the group's and charitable parent company's affairs as at 31 August 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice,
- the financial statements have been prepared in accordance with the Companies Act 2006,
- 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 (DCSF) in respect of the relevant financial year
- Grants made by the DCSF have been applied for the purposes intended, and
- the information given in the Governors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP
SUDHIR SINGH (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1st Floor, 46 Clarendon Road
Watford, Herts, WD17 1JJ

24 December 2009

Haberdashers' Aske's Federation Trust

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account) for the year ended 31 August 2009

| | Note | Unrestricted general fund £ | Restricted general fund £ | Restricted fixed asset fund £ | Total 2009 £ | Total 2008 £ |
|---|------|-----------------------------------|------------------------------------|--|--------------------|--------------------|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary income | 4 | 226,118 | 102,500 | - | 328,618 | 219,625 |
| Activities for generating funds - trading income | 5 | 421,048 | - | - | 421,048 | 1,069,912 |
| Investment income | 7 | 11,969 | - | - | 11,969 | 68,011 |
| Incoming resources from charitable activities | | | | | | |
| Funding for the academies' educational operations | | | | | | |
| General Annual Grant | 2 | - | 18,266,159 | - | 18,266,159 | 14,984,628 |
| Start up grants | 2 | - | 346,919 | - | 346,919 | 219,616 |
| Other | 2 | - | 1,931,969 | - | 1,931,969 | 1,787,053 |
| Academies Capital Grant | 3 | - | 376,565 | - | 376,565 | 1,257,347 |
| Other incoming resources | 6 | 78,448 | - | - | 78,448 | 157,058 |
| TOTAL INCOMING RESOURCES | | 737,583 | 21,024,112 | - | 21,761,695 | 19,763,250 |
| RESOURCES EXPENDED | | | | | | |
| Cost of generating funds | | | | | | |
| Trading expenditure | | 223,520 | - | - | 223,520 | 91,220 |
| Charitable activities | | | | | | |
| Academies' educational operations | 9 | 349,430 | 20,767,504 | 1,671,366 | 22,788,300 | 18,710,898 |
| Governance costs | 9 | - | 115,655 | - | 115,655 | 151,520 |
| TOTAL RESOURCES EXPENDED | 8 | 572,950 | 20,883,159 | 1,671,366 | 23,127,475 | 18,953,638 |
| NET INCOME/EXPENDITURE IN YEAR | | 164,633 | 140,953 | (1,671,366) | (1,365,780) | 809,612 |
| Gross transfers between funds | 24 | (250,067) | (376,565) | 626,632 | - | - |
| NET INCOMING RESOURCES BEFORE ACTUARIAL LOSS ON DEFINED BENEFIT PENSION SCHEME | | (85,434) | (235,612) | (1,044,734) | (1,365,780) | 809,612 |
| TRANSFER OF DEFINED BENEFIT PENSION DEFICIT BROUGHT FORWARD | 24 | 370,000 | (370,000) | - | - | - |
| ACTUARIAL LOSS ON DEFINED BENEFIT PENSION SCHEME | | - | (891,000) | - | (891,000) | (520,000) |
| NET MOVEMENT IN FUNDS | | 284,566 | (1,496,612) | (1,044,734) | (2,256,780) | 289,612 |
| TOTAL FUNDS BROUGHT FORWARD AT 1 SEPTEMBER 2008 | | 402,692 | 212,957 | 44,354,564 | 44,970,213 | 44,680,601 |
| FUNDS CARRIED FORWARD AT 31 AUGUST 2009 | | 687,258 | (1,283,655) | 43,309,830 | 42,713,433 | 44,970,213 |

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 deficit for the year for Companies Act purposes comprises the net incoming resources before actuarial losses and was £(1,365,780) (2008 £809,612)

Haberdashers' Aske's Federation Trust
CONSOLIDATED AND CHARITY BALANCE SHEETS
as at 31 August 2009 (company registration number 2535091)

| | | Group | | Charity | |
|--|------|--------------------|-------------------|--------------------|-------------------|
| | Note | 2009 £ | 2008 £ | 2009 £ | 2008 £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 14 | 43,309,830 | 44,354,564 | 43,307,727 | 44,351,761 |
| Investment in subsidiary | 26 | - | - | 2 | 2 |
| | | <u>43,309,830</u> | <u>44,354,564</u> | <u>43,307,729</u> | <u>44,351,763</u> |
| CURRENT ASSETS | | | | | |
| Stocks and Work in Progress | 15 | 163,486 | 11,757 | 163,486 | 11,757 |
| Debtors | 16 | 609,436 | 349,844 | 1,133,824 | 1,794,234 |
| Cash at bank and in hand | | 1,174,391 | 2,219,345 | 993,054 | 909,131 |
| | | <u>1,947,313</u> | <u>2,580,946</u> | <u>2,290,364</u> | <u>2,715,122</u> |
| CREDITORS amounts falling due within one year | 17 | (1,284,032) | (1,577,196) | (1,624,982) | (1,708,571) |
| NET CURRENT ASSETS | | <u>663,281</u> | <u>1,003,750</u> | <u>665,382</u> | <u>1,006,551</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>43,973,111</u> | <u>45,358,314</u> | <u>43,973,111</u> | <u>45,358,314</u> |
| CREDITORS amounts falling due after more than one year | 18 | (8,678) | (18,101) | (8,678) | (18,101) |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITY | | <u>43,964,433</u> | <u>45,340,213</u> | <u>43,964,433</u> | <u>45,340,213</u> |
| Pension Scheme (Liability) | 13 | (1,251,000) | (370,000) | (1,251,000) | (370,000) |
| NET ASSETS INCLUDING PENSION LIABILITY | | <u>42,713,433</u> | <u>44,970,213</u> | <u>42,713,433</u> | <u>44,970,213</u> |
| FUNDS | | | | | |
| Restricted Fixed Asset fund | 19 | 43,309,830 | 44,354,564 | 43,309,830 | 44,354,564 |
| Restricted General Fund | | (32,655) | 212,957 | (32,655) | 212,957 |
| Pension Scheme Reserve | | (1,251,000) | - | (1,251,000) | - |
| Restricted General fund (including pension reserve) | 19 | <u>(1,283,655)</u> | <u>212,957</u> | <u>(1,283,655)</u> | <u>212,957</u> |
| Unrestricted general fund | | 687,258 | 772,692 | 687,258 | 772,692 |
| Pension scheme reserve | | - | (370,000) | - | (370,000) |
| Unrestricted General fund (including pension reserve) | 19 | <u>687,258</u> | <u>402,692</u> | <u>687,258</u> | <u>402,692</u> |
| | | <u>42,713,433</u> | <u>44,970,213</u> | <u>42,713,433</u> | <u>44,970,213</u> |

Approved and authorised for issue by the Governors on 26th November 2009 and signed on their behalf by
R Glover
Chairman

R Glover 23.12.09

Haberdashers' Aske's Federation Trust
CONSOLIDATED CASH FLOW STATEMENT
31 August 2009

| RECONCILIATION OF NET (OUTGOING)/INCOMING RESOURCES TO NET CASH FLOW FROM OPERATING ACTIVITIES | <i>Note</i> | 2009 £ | 2008 £ |
|--|-------------|--------------------|--------------------|
| NET (OUTGOING)/INCOMING RESOURCES | | (2,256,780) | 809,612 |
| Less Interest received | | (11,969) | (68,011) |
| Add Depreciation | | 1,672,067 | 1,682,216 |
| (Increase) in stocks | | (218,499) | (1,710) |
| (Increase)/Decrease in debtors | | (202,822) | 1,123,192 |
| (Decrease) in creditors | | (266,498) | (1,786,818) |
| Net movement in pension provision | | 891,000 | (11,000) |
| NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES | | <u>(393,501)</u> | <u>1,747,481</u> |
| | | 2009 £ | 2008 £ |
| CASHFLOW STATEMENT | | | |
| Net cash (outflow)/inflow from operating activities | | (393,501) | 1,747,481 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | | |
| Interest received | | 11,969 | 68,011 |
| | | <u>(381,532)</u> | <u>1,815,492</u> |
| CAPITAL EXPENDITURE | | | |
| Purchase of tangible fixed assets | | (627,333) | (2,836,144) |
| NET CASH (OUTFLOW) BEFORE FINANCING | | (1,008,865) | (1,020,652) |
| MANAGEMENT OF LIQUID RESOURCES AND FINANCING | | | |
| Capital element of finance lease rental repayment and loan repayment | | (36,089) | (50,000) |
| NET (DECREASE) IN CASH | 25 | <u>(1,044,954)</u> | <u>(1,070,652)</u> |
| RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS | | 2009 £ | 2008 £ |
| Net decrease in cash | | (1,044,954) | (1,070,652) |
| Cash out flow from decrease in financing | | 36,089 | 50,000 |
| Movement in net funds | 25 | <u>(1,008,865)</u> | <u>(1,020,652)</u> |

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

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 2006 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, the Academies Financial Handbook 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 to not prepare a Statement of Financial Activities for the Trust, as permitted by Companies Act 2006 Section 408 to omit information about its individual accounts The net expenditure for the year for the Trust as an entity was £(2,029,996) [2008 £(849,325)]

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 is recognised on a receivable basis 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, and cannot be directly allocated, 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 Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

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 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:

| | |
|----------------------------|-----|
| Long 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, and comprise school uniforms, and prepaid stocks of books and stationery.

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.

The Trust's share of the LGPS assets are measured at fair value at each balance sheet date. The 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 is reflected in the Statement of Financial Activities.

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 Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

| 2 | GENERAL ANNUAL GRANT (GAG) AND OTHER FUNDING | 2009 £ | 2008 £ |
|---|--|-------------------|-------------------|
| | General Annual Grant | 18,266,159 | 14,984,628 |
| | Start up grants | 346,919 | 219,616 |
| | Other grants | | |
| | LEA Standard Fund | 395,810 | 872,392 |
| | Lewisham School Sports Partnership | 362,858 | 363,798 |
| | SEN Statement Funding | 491,532 | 378,037 |
| | Implementation grant | 291,332 | - |
| | New Deal for Community | 69,442 | - |
| | National Challenge | 44,700 | - |
| | Hatcham Temple Grove Impact work | 100,000 | - |
| | Catering Income | 176,295 | 172,824 |
| | TOTAL | 20,545,047 | 16,991,295 |

GAG received includes £11,117,839 for Hatcham College and £7,148,320 for Knights Academy (See Note 19 for GAG carried forward details)

| 3 | OTHER GRANTS | 2009 £ | 2008 £ |
|---|----------------------|----------------|------------------|
| | DCSF (formerly DfES) | | |
| | Capital grants | 376,565 | 1,257,347 |
| | | <u>376,565</u> | <u>1,257,347</u> |

| 4 | VOLUNTARY INCOME | 2009 £ | 2008 £ |
|---|------------------------------------|----------------|----------------|
| | Donations – trust and corporate | | |
| | UNRESTRICTED FUNDS | | |
| | Haberdashers' Aske's Charity | 217,785 | 212,400 |
| | Dyson Memorial Fund | 7,500 | 7,000 |
| | Schroders' & Haberdashers' charity | - | 225 |
| | Teach First | 833 | - |
| | RESTRICTED FUNDS | | |
| | London Marathon | 75,000 | - |
| | Temple Grove Trust | 27,500 | - |
| | | <u>328,618</u> | <u>219,625</u> |

During the year the Trust acquired the three year lease of Hatcham Temple Grove (formerly Monson School) at a peppercorn rent from the London Borough of Lewisham. The Trust has had some limited use of the building whilst refurbishment is being undertaken by the Borough, although this has varied as the development has progressed. The Trustees have determined it is neither practicable to include a value for this property whilst refurbishment works are completed, nor does it represent material intangible income to the Trust.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

| | | | |
|---|--------------------------|----------------|------------------|
| 5 | TRADING INCOME | 2009 | 2008 |
| | | £ | £ |
| | Hire of facilities | 80,433 | 100,663 |
| | Training and consultancy | 241,522 | 371,856 |
| | Other | 99,093 | 597,393 |
| | | <u>421,048</u> | <u>1,069,912</u> |

| | | | |
|---|---|---------------|----------------|
| 6 | OTHER INCOMING RESOURCES | 2009 | 2008 |
| | | £ | £ |
| | Sundry ancillary income, including teacher training | 78,448 | 157,058 |
| | | <u>78,448</u> | <u>157,058</u> |

| | | | |
|---|-------------------|---------------|---------------|
| 7 | INVESTMENT INCOME | 2009 | 2008 |
| | | £ | £ |
| | Bank interest | 11,969 | 68,011 |
| | | <u>11,969</u> | <u>68,011</u> |

| | | | | | | |
|---|-----------------------------------|-------------------|------------------|------------------|-------------------|-------------------|
| 8 | TOTAL RESOURCES EXPENDED | | | | Total | Total |
| | | Staff costs | Depreciation | Other costs | 2009 | 2008 |
| | | £ | £ | £ | £ | £ |
| | Academies' Educational operations | | | | | |
| | Direct costs | 12,044,367 | 1,326,505 | 2,759,368 | 16,130,240 | 12,776,805 |
| | Allocated support costs | 4,137,347 | 344,861 | 2,175,852 | 6,658,060 | 5,934,093 |
| | | <u>16,181,714</u> | <u>1,671,366</u> | <u>4,935,220</u> | <u>22,788,300</u> | <u>18,710,898</u> |
| | Cost of generating trading income | 35,991 | 701 | 186,828 | 223,520 | 91,220 |
| | Governance costs | 78,014 | - | 37,641 | 115,655 | 151,520 |
| | | <u>16,295,719</u> | <u>1,672,067</u> | <u>5,159,689</u> | <u>23,127,475</u> | <u>18,953,638</u> |

| | | | | | | |
|----|---|--|--|--|-----------|-----------|
| 8A | NET INCOMING RESOURCES | | | | Total | Total |
| | | | | | 2009 | 2008 |
| | Net incoming resources are stated after charging | | | | £ | £ |
| | Auditor's remuneration | | | | | |
| | Audit services – Baker Tilly UK Audit LLP | | | | 34,000 | 42,006 |
| | Tax compliance – Baker Tilly Tax and Advisory Services LLP | | | | 2,200 | 2,585 |
| | Other advisory services – Baker Tilly Tax and Advisory Services LLP | | | | 3,000 | 7,285 |
| | Depreciation - owned assets | | | | 1,672,067 | 1,682,216 |
| | Operating lease payments | | | | 31,232 | 31,232 |

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

9 CHARITABLE ACTIVITIES – ACADEMIES' EDUCATIONAL OPERATIONS

| | 2009 | 2008 |
|--|-------------------|-------------------|
| | £ | £ |
| Direct Costs | | |
| Teaching and educational support staff costs | 12,044,367 | 8,938,545 |
| Depreciation | 1,326,505 | 1,277,170 |
| Books, apparatus and stationery | 1,581,920 | 1,704,446 |
| Examination fees | 254,073 | 223,444 |
| Staff development | 125,849 | 96,211 |
| Fees for external advice | - | 31,756 |
| Other direct costs | 797,526 | 505,233 |
| | <u>16,130,240</u> | <u>12,776,805</u> |
| Allocated Support Costs | | |
| Support staff costs | 4,137,347 | 3,443,086 |
| Depreciation | 344,861 | 403,317 |
| Pupil recruitment and support | 236,135 | 230,008 |
| Maintenance of premises and equipment | 382,436 | 376,218 |
| Cleaning | 364,227 | 294,305 |
| Rent and rates | 67,494 | 65,875 |
| Heat and light | 313,330 | 249,030 |
| Insurance | 124,456 | 94,155 |
| Security | 61,942 | 87,843 |
| Transport | - | 1,030 |
| Catering | 303,212 | 247,502 |
| Technology costs | 321,012 | 409,909 |
| Bank interest and charges | 1,608 | 1,022 |
| | <u>6,658,060</u> | <u>5,934,093</u> |
| | <u>22,788,300</u> | <u>18,710,898</u> |
| Governance Costs | | |
| | 2009 | 2008 |
| | £ | £ |
| Management time | 78,015 | 64,258 |
| Legal and professional fees | 3,640 | 45,256 |
| External Audit fees - Baker Tilly UK Audit LLP | 34,000 | 42,006 |
| | <u>115,655</u> | <u>151,520</u> |

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

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 £1,005 (2008: £945)

| 12 STAFF COSTS | 2009 £ | 2008 £ |
|-----------------------------|-------------------|-------------------|
| Wages and salaries | 13,663,624 | 10,460,996 |
| Social security costs | 1,060,918 | 851,022 |
| Pension costs (see note 13) | 1,571,177 | 1,205,391 |
| | <u>16,295,719</u> | <u>12,517,409</u> |

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

| | Number | Number |
|---------------------|----------|----------|
| £60,001 - £70,000 | 3 | 1 |
| £70,001 - £80,000 | 1 | 2 |
| £80,001 - £90,000 | 2 | 2 |
| £100,001 - £110,000 | - | - |
| £110,001 - £120,000 | - | 1 |
| £120,001 - £130,000 | 1 | - |
| £130,001 - £140,000 | - | - |
| £140,001 - £150,000 | - | 1 |
| £150,001 - £160,000 | - | - |
| £160,001 - £170,000 | 1 | - |
| | <u>8</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 | 17 | 15 |
| Support | 176 | 140 |
| Teachers | 191 | 147 |
| | <u>384</u> | <u>302</u> |

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

| 13 PENSION COSTS | 2009 | 2008 |
|--|------------------|------------------|
| | £ | £ |
| Other pension costs included in staff costs comprise | | |
| Defined benefit scheme - TPS contributions | 934,554 | 762,213 |
| Defined benefit scheme - LGPS pension cost | 615,935 | 419,316 |
| Defined contribution scheme | 20,688 | 23,862 |
| Total pension costs (Note 12) | <u>1,571,177</u> | <u>1,205,391</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 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 £934,554 (2008 £762,213).

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.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

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.

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 which 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 2009 by a qualified independent actuary. Unfunded pensions benefits at 31 August 2009 were nil.

The major assumptions used by the actuary were

| | At 31 August 2009 (% pa) | At 31 August 2008 (% pa) | At 31 August 2007 (% pa) |
|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Inflation | 3.4% | 4.0% | 3.4% |
| Rate of increase in salaries | 4.9% | 5.5% | 4.9% |
| Rate of increase in pensions | 3.4% | 4.0% | 3.4% |
| Discount rate for liabilities | 5.4% | 6.4% | 5.8% |

Mortality

Life expectancy is based on the PFA 92 and PMA 92 tables, projected to calendar year 2033 for non-pensioners and 2017 for pensioners. Based on the assumptions, on the balance sheet date the average future life expectancies at age 65 are summarised below.

| | MALES | FEMALES |
|--------------------|------------|------------|
| Current pensioners | 19.6 years | 22.5 years |
| Future pensioners | 20.7 years | 23.6 years |

An allowance is included for 25% for future retirements to elect to take additional tax-free cash up to HMRC limits. For membership post 1 April 2008, an allowance is included for 62.5% of future retirements to elect to take additional tax-free cash up to HMRC limits.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

13 PENSION COSTS (CONTINUED)

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

| Assets (employer) | Expected Return at 31 August 2009 % p a | Fair value Assets at 31 August 2009 £(000) | Expected Return at 31 August 2008 % p a | Fair value Assets at 31 August 2008 £(000) |
|---|---|--|---|--|
| Equities | 7.2% | 2,380 | 7.5% | 2,070 |
| Bonds | 4.7% | 628 | 5.5% | 549 |
| Property | 5.2% | 198 | 5.5% | 266 |
| Cash | 4.3% | 99 | 4.6% | 61 |
| Total fair value of assets | 6.5% | 3,305 | 6.9% | 2,946 |
| Actual return on scheme assets | | (329) | | (223) |

Five year history of experience adjustments

| | At 31/8/09 £(000) | At 31/8/08 £(000) | At 31/8/07 £(000) | At 31/8/06 £(000) | At 31/8/05 £(000) |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Fair value of assets | 3,205 | 2,940 | 2,561 | 2,032 | 1,595 |
| Present value of scheme obligations | (4,556) | (3,316) | (2,423) | (2,187) | (1,764) |
| Net pension asset/obligations | (1,251) | (370) | 138 | (155) | (169) |
| Experience (losses) on liabilities | - | (172) | - | (1) | - |
| Experience gains/(losses) on assets | (558) | (243) | 108 | 133 | - |

Amount recognised in Statement of Financial Activities within Academies' Educational Operations

| | Year to 31 August 2009 £(000) | Year to 31 August 2008 £(000) |
|--|-------------------------------------|-------------------------------------|
| Employer service cost | 477 | 317 |
| Expected return on employer's share of scheme assets | (227) | (198) |
| Interest on pension liabilities | 233 | 154 |
| Past service cost | - | 58 |
| | 483 | 331 |

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

13 PENSION COSTS (CONTINUED)

Amount recognised in actuarial gains within Statement of Financial Activities

| | Year to 31 August 2009 £(000) | Year to 31 August 2008 £(000) |
|---|-------------------------------------|-------------------------------------|
| Actual return less expected return on pension scheme assets | (558) | (243) |
| Experience gains and losses arising on scheme liabilities | - | - |
| Changes in financial assumptions underlying the present value of scheme liabilities | (333) | (277) |
| | <u>(891)</u> | <u>(520)</u> |
| Cumulative actuarial gains and losses | <u>£1,073</u> | <u>£182</u> |

CHANGES IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATION

| | 2009 £(000) | 2008 £(000) |
|---|----------------|----------------|
| Defined benefit obligation at 1 September | 3,316 | 2,423 |
| Current service cost | 477 | 317 |
| Interest cost | 233 | 154 |
| Contributions by members | 187 | 120 |
| Actuarial losses/(gains) | 362 | 277 |
| Past service costs | - | 58 |
| Estimated benefits paid | (19) | (33) |
| | <u>4,556</u> | <u>3,316</u> |

CHANGES IN FAIR VALUE OF SCHEME ASSETS

| | 2009 £(000) | 2008 £(000) |
|----------------------------------|----------------|----------------|
| Scheme assets at 1 September | 2,946 | 2,562 |
| Expected return on assets | 227 | 198 |
| Contributions by members | 187 | 120 |
| Contributions by the employer | 522 | 342 |
| Actuarial losses/(gains) | (558) | (243) |
| Estimated unfunded benefits paid | - | - |
| Estimated benefits paid | (19) | (33) |
| | <u>3,305</u> | <u>2,946</u> |

Haberdashers' Aske's Federation Trust
 NOTES TO THE FINANCIAL STATEMENTS
 31 August 2009

14 TANGIBLE FIXED ASSETS

| GROUP | Freehold and Long leasehold land and buildings £ | Fixtures and fittings £ | Office and Trust equipment £ | Motor vehicles £ | Total £ |
|------------------------|---|----------------------------------|---------------------------------------|------------------------|-------------------|
| COST | | | | | |
| At 1 September 2008 | 47,102,296 | 2,585,439 | 5,484,652 | 109,450 | 55,281,837 |
| Additions | 568,886 | 19,854 | 38,593 | - | 627,333 |
| At 31 August 2009 | <u>47,671,182</u> | <u>2,605,293</u> | <u>5,523,245</u> | <u>109,450</u> | <u>55,909,170</u> |
| DEPRECIATION | | | | | |
| At 1 September 2008 | 4,749,578 | 2,561,513 | 3,520,200 | 95,982 | 10,927,273 |
| Charge for the year | 954,335 | 13,694 | 690,569 | 13,469 | 1,672,067 |
| At 31 August 2009 | <u>5,703,913</u> | <u>2,575,207</u> | <u>4,210,769</u> | <u>109,451</u> | <u>12,599,340</u> |
| NET BOOK VALUES | | | | | |
| At 31 August 2009 | <u>41,967,269</u> | <u>30,086</u> | <u>1,312,476</u> | <u>(1)</u> | <u>43,309,830</u> |
| At 31 August 2008 | <u>42,352,718</u> | <u>23,926</u> | <u>1,964,452</u> | <u>13,468</u> | <u>44,354,564</u> |
| CHARITY | | | | | |
| COST | | | | | |
| At 1 September 2008 | 47,102,296 | 2,585,439 | 5,463,898 | 109,450 | 55,261,083 |
| Additions | 568,886 | 19,854 | 38,593 | - | 627,333 |
| At 31 August 2009 | <u>47,671,182</u> | <u>2,605,293</u> | <u>5,502,491</u> | <u>109,450</u> | <u>55,888,416</u> |
| DEPRECIATION | | | | | |
| At 1 September 2008 | 4,749,578 | 2,561,513 | 3,502,249 | 95,982 | 10,909,322 |
| Charge for the year | 954,335 | 13,694 | 689,870 | 13,468 | 1,671,367 |
| At 31 August 2009 | <u>5,703,913</u> | <u>2,575,207</u> | <u>4,192,119</u> | <u>109,450</u> | <u>12,580,689</u> |
| NET BOOK VALUES | | | | | |
| At 31 August 2009 | <u>41,967,269</u> | <u>30,086</u> | <u>1,310,372</u> | <u>-</u> | <u>43,307,727</u> |
| At 31 August 2008 | <u>42,352,718</u> | <u>23,926</u> | <u>1,961,649</u> | <u>13,468</u> | <u>44,351,761</u> |

Net book value includes freehold properties which are valued at £390,000 (2008 £390,000)

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

14 TANGIBLE FIXED ASSETS *(continued)*

The charity net book value at 31 August 2009 represents fixed assets used for

| CHARITABLE PURPOSES | Long leasehold land and buildings £ | Fixtures and fittings £ | Office and Trust equipment £ | Total £ |
|-----------------------|--|----------------------------|---------------------------------|-------------------|
| Educational provision | 31,895,125 | 22,866 | 1,100,712 | 33,018,703 |
| Support services | 10,072,144 | 7,220 | 209,660 | 10,289,024 |
| | <u>41,967,269</u> | <u>30,086</u> | <u>1,310,372</u> | <u>43,307,727</u> |

| SOURCE OF FUNDING FOR CHARITY TANGIBLE FIXED ASSETS | 2009 £ | 2008 £ |
|---|-------------------|-------------------|
| DCSF (formerly DfES) Capital grants | 46,063,037 | 45,969,119 |
| Recurrent funding | 2,149,442 | 2,025,345 |
| Private sector | 7,675,937 | 7,266,619 |
| | <u>55,888,416</u> | <u>55,261,083</u> |

| 15 STOCKS | Group | | Charity | |
|----------------------|----------------|---------------|----------------|---------------|
| | 2009 £ | 2008 £ | 2009 £ | 2008 £ |
| School uniforms | 14,648 | 11,757 | 14,648 | 11,757 |
| Books and stationery | 148,838 | - | 148,388 | - |
| | <u>163,486</u> | <u>11,757</u> | <u>163,486</u> | <u>11,757</u> |

| 16 DEBTORS | Group | | Charity | |
|--|----------------|----------------|------------------|------------------|
| | 2009 £ | 2008 £ | 2009 £ | 2008 £ |
| Trade debtors | 297,132 | 317,609 | 106,298 | 81,901 |
| Capital & Implementation grants | 157,849 | - | 157,849 | - |
| Amounts owed from subsidiary undertaking | - | - | 100,000 | 11,431 |
| Gift Aid due to Trust | - | - | 668,516 | 1,668,667 |
| Other debtors | 57,338 | 6,453 | 4,045 | 6,453 |
| Prepayments and accrued income | 97,116 | 25,782 | 97,116 | 25,782 |
| | <u>609,435</u> | <u>349,844</u> | <u>1,133,824</u> | <u>1,794,234</u> |

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

| 17 | CREDITORS amounts falling due within one year | Group | | Charity | |
|----|--|------------------|------------------|------------------|------------------|
| | | 2009 £ | 2008 £ | 2009 £ | 2008 £ |
| | Haberdashers' Aske's Charity loan | - | 26,667 | - | 26,667 |
| | Trade creditors | 540,775 | 419,591 | 499,713 | 366,889 |
| | Amount owed to subsidiary undertaking | - | - | 402,607 | 642,724 |
| | Taxation and social security | 340,280 | 299,174 | 340,280 | 280,631 |
| | Other creditors | 272,144 | 164,900 | 264,820 | 183,737 |
| | Accruals and deferred income | 130,833 | 666,864 | 117,562 | 207,923 |
| | | <u>1,284,032</u> | <u>1,577,196</u> | <u>1,624,982</u> | <u>1,708,571</u> |
| | | | | | |
| 18 | CREDITORS amounts falling due after more than one year | Group | | Charity | |
| | | 2009 £ | 2008 £ | 2009 £ | 2008 £ |
| | Other creditors | 8,678 | 18,101 | 8,678 | 18,101 |
| | | <u>8,678</u> | <u>18,101</u> | <u>8,678</u> | <u>18,101</u> |

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

19 STATEMENT OF FUNDS

| | 1 September 2008 £ | Incoming Resources £ | Resources Expended £ | Transfers and Actuarial Gains £ | 31 August 2009 £ |
|---|--------------------------|----------------------------|----------------------------|---|------------------------|
| General Annual Grant (GAG) | (207,258) | 18,266,159 | (18,081,556) | (1,261,000) | (1,283,655) |
| Start Up grant | 173,084 | 346,919 | (520,003) | - | - |
| Other grants | 247,131 | 1,931,969 | (2,179,100) | -- | - |
| Academies Capital Grant | - | 376,565 | - | (376,565) | - |
| Voluntary income | - | 102,500 | (102,500) | -- | - |
| TOTAL RESTRICTED GENERAL FUNDS | 212,957 | 21,024,112 | (20,883,159) | (1,637,565) | (1,283,655) |
| DCSF capital grant | 37,101,355 | - | (1,671,366) | - | 35,429,989 |
| Recurrent funding | 1,454,543 | - | - | 376,565 | 1,831,108 |
| Private sector | 5,798,666 | - | - | 250,067 | 6,048,733 |
| TOTAL FIXED ASSET FUND | 44,354,564 | - | (1,671,366) | 626,632 | 43,309,830 |
| TOTAL RESTRICTED FUNDS | 44,567,521 | 21,024,112 | (22,554,524) | (1,010,933) | 42,026,176 |
| UNRESTRICTED FUND General | 402,692 | 737,583 | (572,950) | 119,933 | 687,258 |
| TOTAL FUNDS | 44,970,213 | 21,761,695 | (23,127,475) | (891,000) | 42,713,433 |

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 of the whole federation. The Trust is allowed to carry forward up to 12% of the current GAG amounting in 2008/09 to £2,191,939 (2007/8 £1,968,946). Of the carried forward amount, up to 2%, in 2008/09 £365,323, 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. In 2008/09 the carried forward amount, being less than the 2% limit, was £184,603 (2007/08 £nil) and fixed assets purchased from GAG in the year were £nil (2007/08 £89,288).

Other grants include the London Borough of Lewisham Standards Funds, Haberdashers' Aske's Schools Sports Partnership funding, and SEN Statements Funds. Academies Capital Grant represents DCSF funding for capital expenditure items. Voluntary income includes Temple Grove Trust and London Marathon grants. The Temple Grove funds are applied to the support of students in the primary sections of the schools. The London Marathon grant was applied to the improvement of sports facilities. 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 charity tangible fixed assets funded either through DCSF capital or recurrent funding or from private funding. 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 DCSF Capital Grant funding. The transfer to Unrestricted funds of £119,933 represents the net transfer of the pension fund liability of £370,000 transferred to the Restricted General (see note 24), and purchases of fixed assets relating to restricted assets of £(250,067) and accordingly transferred to the Fixed Asset Fund.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

20 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

| | Unrestricted Fund £ | Restricted Fixed Asset Fund £ | Restricted General Fund £ | Total £ |
|--|---------------------------|--|---------------------------------|-------------------|
| Tangible fixed assets and investments | - | 43,309,830 | - | 43,309,830 |
| Current assets | 1,105,602 | - | 841,711 | 1,947,313 |
| Current liabilities | (418,344) | - | (865,688) | (1,284,032) |
| Long term liabilities | - | - | (8,678) | (8,678) |
| Pension scheme liability | - | - | (1,251,000) | (1,251,000) |
| | <u>687,258</u> | <u>43,309,830</u> | <u>(1,283,655)</u> | <u>42,713,433</u> |

21 CAPITAL COMMITMENTS

No capital expenditure has been contracted for at 31 August 2009 (2008 £Nil)

22 OPERATING LEASES - GROUP

Financial commitments under non-cancellable operating leases for equipment will result in the following payments falling due in the year to 31 August 2009

| | 2009 £ | 2008 £ |
|------------------------------------|---------------|---------------|
| OTHER | | |
| Expiring within one year | 8,678 | 13,133 |
| Expiring within two and five years | 8,678 | 18,099 |
| | <u>17,356</u> | <u>31,232</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

- the value at that time of the Trust's sites and premises and other assets held for the purpose of the Trust, and
- 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 Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

24 TRANSFERS BETWEEN FUNDS

As set out in Note 19, the transfers relate to items of capital expenditure financed from unrestricted and restricted general funds or the attribution of the LGPS pensions liability to the Restricted General funds. The fixed asset related 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.

The pension scheme transfer has been undertaken in order to reflect the trust law requirements relating to funds and the legal obligation to reflect compliance trustee stewardship over such funds together with the requirements of the Charities SORP paragraphs 438-442, and to recognise the pension scheme liability within Restricted General funds. During the year the trustees concluded that based on more detailed consideration of the expected future funding of the charity's activities any crystallizing deficit arising on the pension scheme would ultimately be funded from the General Annual Grant which is recognized in the Restricted General fund. Comparatives have not been presented on a comparable basis in order to preserve the previously stated fund account balance on each fund as at 31 August 2008.

25 NOTE TO CASHFLOW STATEMENT ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2008 £ | Cash flows £ | 31 August 2009 £ |
|--------------------------|--------------------------|--------------------|------------------------|
| Cash at bank and in hand | 2,219,345 | (1,044,954) | 1,174,391 |
| Debt due within one year | (44,767) | 36,089 | (8,678) |
| | <u>2,174,578</u> | <u>(1,008,865)</u> | <u>1,165,713</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:

| | 2009 £ | 2008 £ |
|--------------------------------|----------------|----------------|
| PROFIT AND LOSS ACCOUNT | | |
| Turnover | 321,955 | 472,519 |
| Other operating expenses | (84,200) | (91,220) |
| Net profit | <u>237,755</u> | <u>381,299</u> |
| Amount gifted to the charity | (237,755) | (381,299) |
| Retained in subsidiary | <u>-</u> | <u>-</u> |
| | | |
| BALANCE SHEET | | |
| Assets | 263,498 | 413,246 |
| Liabilities | (263,498) | (413,246) |
| Net funds | <u>-</u> | <u>-</u> |

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

31 August 2009

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 | 2009 | 2008 |
|---------------------------------------|------------------|--------------------|
| | £ | £ |
| Turnover | 570,081 | 3,759,014 |
| Operating and administrative expenses | (139,320) | (2,473,646) |
| Net profit | <u>430,761</u> | <u>1,285,368</u> |
| Amount gifted to the charity | <u>(430,761)</u> | <u>(1,282,368)</u> |
| Retained in subsidiary | <u>-</u> | <u>-</u> |
| | | |
| BALANCE SHEET | 2009 | 2008 |
| | £ | £ |
| Assets | 576,631 | 1,790,235 |
| Liabilities | (576,629) | (1,790,233) |
| Net funds | <u>2</u> | <u>2</u> |

27 POST BALANCE SHEET EVENT

On the 1st September 2009, the primary section of Haberdashers' Aske's Crayford Academy (known as Crayford Temple Grove) opened. Crayford Temple Grove was formerly Barnes Cray Primary School maintained by London Borough of Bexley. The property is held on short term lease at a peppercorn rent whilst a new secondary school is built on the site. Operating funding for the Academy is provided under a funding agreement with the Secretary of State for Children Schools and Families.

28 RELATED PARTY TRANSACTIONS

The Temple Grove Trust, who hold endowment funds for the benefit of the primary phases of Haberdashers' Aske's Hatcham College and Haberdashers' Aske's Crayford Academy, provided two co-opted Governors to the governing body. Temple Grove Trust donated £27,500 during the year (2008 £0).

Westminster School, who has leased the Trust playing fields for the benefit of Knights Academy at a peppercorn rent, has one governor in common with the Trust.