

Haberdashers' Aske's Federation Trust
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 August 2014

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COMPANIES HOUSE

Company Registration Number: 02535091

Haberdashers' Aske's Federation Trust

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Haberdashers' Aske's Federation Trust

DIRECTORS' REPORT

31 August 2014

LEGAL AND ADMINISTRATIVE INFORMATION AS AT 9th DECEMBER 2014:

Directors as at 9 December 2014

Ex Officio Directors

Adrian Percival (1,2,4,5,6,7,8) Chief Executive Officer

Audley Twiston-Davies The Master of the Worshipful Company of Haberdashers, 2014-15

Directors Nominated from the Worshipful Company of Haberdashers

Bruce Powell (1,2,4,5,8) Chairman, Member

Mark Archer (2,4) Vice-Chairman, Member

Andrew Barlow (4,7)

Richard Lund (3,7) Member

Martin Knight (1,4)

Richard Phillips (4,6)

Mary Wetherell (4,6)

Directors nominated from the Temple Grove Schools Trust

David Lough (1, 3, 4)

Sylvia Morris (2)

Co-opted Directors

Vanessa Ogden (2)

Lois Rowe (1,5,8)

Owen Saxton (2)

Directors who have served in the Period

Ex Officio Directors

Adrian Percival Appointed 24 September 2013 Chief Executive Officer

Jonathan Bates Resigned 26 November 2014 The Master, 2013-14

Audley Twiston-Davies Appointed 26 November 2014 The Master, 2014-15

Directors Nominated from the Worshipful Company of Haberdashers

Bruce Powell (1,2,4,5,8) Chairman/Member

Andrew Barlow (4,7)

Richard Lund (3,7) Member

Mark Archer (2,4) Appointed 10 October 2014 Member, Vice Chairman

Martin Knight (1,4) Appointed 24 September 2013

Richard Phillips (4,6) Appointed 10 October 2014

Mary Wetherell (4,6) Appointed 24 September 2013

Rupert Elliott (1) Resigned 18 September 2013 Member

James Gatehouse (6) Resigned 25 July 2014 Member

David Martin (1) Resigned 23 March 2014

Dr Helen Murphy (4,5,8) Resigned 10 October 2014

Revd James Power (6) Resigned 24 September 2013 Member

Haberdashers' Aske's Federation Trust

DIRECTORS' REPORT

31 August 2014

Directors nominated from the Temple Grove Schools Trust

David Lough (1,3,4)

Sylvia Morris (2)

Co-opted Directors

Owen Saxton (2)

Vanessa Ogden (2)

Appointed 20 October 2014

Lois Rowe (1,5,8)

Appointed 20 October 2014

Michael Baughan (3)

Resigned 13 March 2014

Key to Sub Committees

1. Finance Committee
2. Standards Committee
3. Audit Committee
4. Strategy Committee
5. Hatcham Local Governing Body Committee
6. Knights Local Governing Body Committee
7. Crayford Local Governing Body Committee
8. Hatcham Temple Grove Free School Local Governing Body Committee

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DIRECTORS' REPORT

31 August 2014

CHIEF EXECUTIVE OFFICER (CEO) Adrian Percival

CHIEF FINANCIAL OFFICER Yvonne Smithers

COMPANY SECRETARY &
CLERK TO THE DIRECTORS Fred Sharrock appointed 16 September 2013

FEDERATION EXECUTIVE TEAM	Adrian Percival Declan Jones	Chief Executive Officer (CEO) Principal, Hatcham College and Deputy CEO
	Yvonne Smithers Fred Sharrock Louise Davies	Chief Financial Officer Director of Performance Director of Training and Curriculum Development
	Dr Tesca Bennett Richard Farrow	Principal, Knights Academy Principal, Crayford Academy

PRINCIPAL AND REGISTERED OFFICE Haberdashers' Aske's Federation Trust
Pepys Road
London, SE14 5SF

COMPANY REGISTRATION NUMBER 02535091 (England & Wales)

ADVISORS

EXTERNAL AUDITOR Crowe Clark Whitehill LLP
Registered Auditor
Chartered Accountants
Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ

BANKERS Barclays Bank plc.
1 Churchill Place
London
E14 5HP

SOLICITORS Eversheds LLP
1 Wood St
London
EC2V 7WS

Haberdashers' Aske's Federation Trust

DIRECTORS' REPORT

31 August 2014

The Directors, 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 2014 and confirm that the latter comply with the requirements of the Companies Act 2006, Charities Act 2011, and the Charities Statement of Recommended Practice (SORP) 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a charitable company limited by guarantee (registered number 2535091) and an exempt charity. The Trust became an exempt charity under the provisions of the Academies Act 2010. Particulars of the Trust and its Directors are shown on pages 3 to 5.

Directors' Liability

Each Director of the Trust undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Director.

Method of Recruitment and Appointment of Directors

Directors are recruited based on the skills that they will bring to the governing body or by election.

Policies and Procedures Adopted for the Induction and Training of Trustees

On appointment, Directors receive extensive information relating to the Trust and attend an induction on the Federation and the role and responsibilities of Directors. During the year, Directors are offered training, both face to face and online by the Federation and the Worshipful Company of Haberdashers. The Trust has secured Directors' and Officers' insurance as set out in Note 12 to the accounts.

Governing document

The Trust was formed on 28 August 1990 and its principal governing documents are the Memorandum and 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 £10 for the debt and liabilities contracted before he/she ceases to be a member. The Secretary of State for Education can direct the Directors of the Trust in certain limited circumstances where the quality of education is deemed unsatisfactory.

Governing body

The Worshipful Company of Haberdashers appoints up to four members, who are also Directors. The Worshipful Company also appoints other Directors. Together these two groups of Directors are known as Nominated Directors. The Nominated Directors appoint Co-opted Directors. The Temple Grove Schools Trust appoints two Directors.

The names of the Directors who served during the year and who were in office at the date of this report are given on pages 3 and 4.

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 10.

Organisational management

There are currently three Academies and a Free School in the Federation: Haberdashers' Aske's Hatcham College and Hatcham Temple Grove Free School at New Cross, London; Haberdashers' Aske's Knights Academy at

Haberdashers' Aske's Federation Trust

DIRECTORS' REPORT

31 August 2014

Bromley, Kent and Haberdashers' Aske's Crayford Academy at Crayford, Kent. The three schools are designated as Academies within the meaning of the Education Act 2002. Hatcham College and Knights Academy offer education for children aged three to eighteen. Crayford Academy will offer education to children aged three to eighteen when the year groups are full in two years' time. At the start of the academic year 2014-15 Crayford Academy has year groups up to Year 11.

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education (DfE). The Trust adopted a new Memorandum and Articles of Association on 16 September 2013.

Following the adoption of the new articles, the constitution of the Trust Board and its Committees was changed on 24 September 2013. The Board of the Trust is constituted of up to ten Haberdasher nominee Directors to give a majority on the board, two Temple Grove Schools Trust nominee Directors, the CEO of the Trust and three co-opted Directors. To complement this, there is a Local Schools Governing Body Committee for each of the three Academies and the Hatcham Temple Grove Free School. These committees comprise a Chairman who is a Nominated Director of the Trust and a number of local governors who are elected parents, elected staff, co-opted Directors and local authority directors. The Local Governing Body Committees ensure that the school improvement cycle is correctly monitored and evaluated and provide challenge and support to the Academy Principal and his/her leadership team.

The committees of the Trust Board are the Finance Committee, who report to the Board on finance, central services and premises related issues, the Strategy Committee, which reports to the Board on the strategic direction of the Trust, including items related to capital projects, the Standards Committee, which has responsibility for monitoring academic standards and the Audit Committee which has the remit for overseeing risk management and audit processes.

The day to day running of the schools is delegated to the Federation Trust executive team under the leadership of the Chief Executive Officer, who is the Accounting Officer for the Trust.

OBJECTS AND ACTIVITIES

• Charitable Objects

The Trust's objective is to advance for the public benefit education in the United Kingdom in accordance with the principles of the Christian religion in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on and developing one or more secondary schools or colleges offering a broad curriculum, with a strong emphasis in particular areas determined by the Board of Directors in consultation with the Secretary of State for Education in England and Wales.

• Aims and intended impact

The Directors' vision is built from values of aspiration and achievement, personal responsibility, self-discipline and mutual respect. The Federation is forward looking and values innovation, but always within the context of our long tradition of providing excellent education. Based upon these values we aim to ensure all the children and young people who come to our schools:

- Are happy and safe at school and are able to learn successfully within a supportive environment
- Are able to achieve their full potential personally, academically and socially
- Develop and grow as independent, resourceful and resilient individuals
- Are equipped with the skills, qualifications and love of learning they will need to be successful in the world they will join as adults.

• Objectives for the year

The objectives for the year were set out in the Federation's Development plan and are summarised as:

Haberdashers' Aske's Federation Trust

DIRECTORS' REPORT

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1. To provide a relentless focus on front line delivery for children and young people through our Academies. The priorities in the first section of our plan were:
 - a. To ensure that learning and progress for all our students is maximised.
 - b. To ensure that all children and young people only experience teaching that is at least good and as much as possible is outstanding (as judged by Ofsted criteria).
 - c. To ensure that each of our Academies has a curriculum that meets the needs and stretches the aspirations of our students providing each one of them with a suitable yet demanding progression route.
 - d. To ensure that we have suitable data systems to allow for accurate monitoring of the performance of our students which in turn allows for action to be taken in a timely manner to improve performance where necessary.
 - e. To ensure that there is high quality leadership and management in all parts and at all levels of the Federation.
2. To provide robust, effective and efficient support for the delivery of the highest quality education from a well-qualified team of corporate services professionals in each of the key services provided through Federation central services. The priorities in the second section of our plan were:
 - a. To continue the on-going and rapid improvement in the management of our finances to provide appropriate assurance to the Trust.
 - b. To establish a human resources function that provides the schools with high quality advice on casework and efficient administrative support for recruitment and staff management.
 - c. To provide a high quality IT support service to all our staff and students
 - d. To improve the management of our facilities by developing an asset management plan, improving our health and safety management, implementing the review of security and maximising our capital receipts.
 - e. To reduce the costs of our catering service while improving quality.

• Strategies to achieve the year's objectives

The Trust produced detailed development plans for the year ended 31 August 2014. These are the Federation Development Plan and the Academy Development Plans for the individual schools.

The Chief Executive Officer reports on Key Performance Indicators (KPIs) at each main board of Directors meeting. The main KPIs reported for each school, together with the targets and achievements include pupil achievement, higher level performance, attendance, quality of teaching, behaviour and admissions.

Principal activities for the year

The principal activity for the year has been the provision of primary and secondary education at all three Academies and primary education at the Free School.

Equal Opportunities Policy

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust has established equal opportunities in all aspects of its activities including creating a working environment in which the contribution and needs of all people are fully valued

Public benefit

The Directors confirm that, to the best of their knowledge and belief, they have complied with the requirements of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission when reviewing the aims and objectives of the Trust and in planning future activities. The Directors confirm that in carrying out the principal activities, the Trust has provided public benefit during the year ended 31 August 2014.

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DIRECTORS' REPORT

31 August 2014

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Operational performance of the schools

It is the Federation's policy to set targets which are ambitious and which if met would over time lead to results which are above the national average for all schools, above the 75th percentile for similar students and ideally above the performance by the previous cohort at the school.

The academic results for 2014 show that attainment in all the primary schools has improved. The Federation's primary phases were all established to replace weak or failing primary schools with results well below the national average. All three are now well on the way to achieving results that meet the three criteria for the ambitious targets described above. The marked increase in the proportion of children achieving level 5 at Hatcham Temple Grove, the primary section of Hatcham College, is particularly noteworthy, and shows the impact of sustained strong leadership over a period of several years since the school joined the Federation. There have been improvements in attainment in reading, writing and maths at Crayford and Knights, with particularly strong improvements in the early years foundation stage and key stage 1.

Achievement in the secondary phases of Hatcham College was broadly similar to 2013 at both GCSE and in the VI form. During the year the school was inspected and judged outstanding for the fourth consecutive inspection. The inspection report showed improvement in many areas since the last inspection in 2011: every individual judgement within the inspection was outstanding. The Hatcham Temple Grove Free School, which opened in September 2013, has received monitoring visits from the DfE, whose education advisers judge that it is operating at the standard that Ofsted would judge to be outstanding.

At Knights, the improved performance at GCSE and A level from 2013 was maintained in 2014. There were significant improvements in English, where 80% of students achieved a C grade or better, and in a number of the foundation subjects. During the year the school was inspected by Ofsted. Inspectors judged the school to have a serious weakness because of the poor behaviour of a minority of students in the secondary phase which was disrupting the learning of others. Behaviour in the primary phase was not a concern. Addressing the issues at Knights identified by OFSTED has been a major priority for the Trust during the year. The school has had two monitoring visits from OFSTED, who are pleased with the progress being made and do not intend to visit again prior to the next inspection. The most recent monitoring visit recognised the marked improvement in behaviour at the school, noting that serious incidents were now rare.

The attendance of students at both Hatcham and Crayford is substantially and consistently above the national average and meets our targets, which are ambitious in schools serving diverse, deprived and mobile communities. At Knights the attendance has moved to being above target and above national average this year, as a result of resources applied to this priority.

The admissions data shows the continuing popularity of our schools, particularly in the primary sector. The supply of secondary schools places in the area is greater than demand, so it is a positive indication that they are full.

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 DfE. 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.

Haberdashers' Aske's Knights Academy continues its agreement with Eltham College to use College Meadow as a sports field. Knights Academy has benefitted from the completion of works on its outdoor student recreational area. Crayford Academy operates a Children's Centre on its site, which is part of the London Borough of Bexley's provision of children's services to the local community.

Haberdashers' Aske's Federation Trust

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Trust capital projects

The major refurbishment of Hatcham Temple Grove was well on its way to completion when the building was severely damaged by fire in April 2010. Following the resolution of complex insurance claims, a Development Agreement was signed with Lewisham Local Authority and Buxton Building Contractors Ltd was appointed as the contractor for the works. The works began on 22 July 2013 and the reinstatement of the building is anticipated to be completed by the end of 2014. The Directors have provided in the accounts for £0.79m of non-capital costs related to the re-construction, incurred as at 31 August 2014, and that will fall outside the building contract. They are optimistic however that some of the amount will be covered by insurance payments and some by a range of parties that bear responsibility for the project.

The second year group has recently been received at the Hatcham Temple Grove Free School which opened on 29 August 2013. The 120 reception and year 1 students are housed in temporary accommodation on the Hatcham College Pepys Road site whilst the new school is built in a different part of the same site. The capital build is being fully funded by the EFA. After delays in the planning and design process, which was led by the EFA, planning consent was received and a contract signed in July 2014. Works commenced just before the summer, beginning with the demolition of predecessor buildings. The new permanent building is now expected to complete in April 2015.

The Knights Temple Grove expansion project which was funded by the London Borough of Lewisham completed by the end of December 2013 as planned.

The Knights Academy playground and recreational areas were substantially improved with funding from the Academies Maintenance Capital fund.

Slade Green primary school joined Crayford Academy on 1 September 2013. Building works to refurbish the site and build additional classrooms continued through the academic year. These works, which were being carried out by the London Borough of Bexley, were delayed when the principal contractor went into administration. Subsequently a new contractor was appointed for the major works and although the work was late it was completed by the end of the academic year, in time for the new classrooms to open in September 2014.

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

Subsidiary performance

HAHC Trading Ltd has continued to operate its lettings business and to build its consultancy business. HAHC Education Ltd has not undertaken any capital projects in the year and is dormant.

The results of the trading subsidiaries are shown in note 24 and are regarded as satisfactory.

Going concern

Funding agreements are in place with the Department of Education for all of the academies run by the Trust. Funding for each school is agreed a year in advance. The Directors consider this is sufficient notice to be able to have reasonable surety of continuing income from central government to enable the accounts to be prepared on a going concern basis.

In addition, the Directors are content that the net liability on the restricted reserve resulting from deficits on the Local Government Pension Scheme (LGPS) and the London Pensions Fund Authority Scheme (LPFA) will not crystallise in the foreseeable future. Changes to the employee and employer pension contributions will arise over time to offset the deficits arising on the schemes. Accordingly, the Directors believe it is appropriate to prepare the accounts on a going concern basis.

Haberdashers' Aske's Federation Trust

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31 August 2014

FINANCIAL REVIEW

The Trust finished the year with a surplus of £4.21m after accounting for the exceptional items of £0.06m and the actuarial pension scheme loss of £2.76m. The operational surplus therefore for the financial year is £7.02m of which £6.58m represents an increase to the Restricted Fixed Asset Fund.

	2014 £000
Total surplus	4,206
<i>Add back</i>	
Actuarial pension scheme loss	2,763
Exceptional items	55
Operational surplus	<u>7,024</u>

Restricted Funds, which cover the main educational activities of the Trust, finished the year with a surplus of £0.46m after excluding movements in the pension reserve. This contributed to the elimination of a proportion of the negative General Annual Grant (GAG) reserve position, such that this balance closed at a deficit of £0.15m. The rest of the surplus was used to create a designated fund of £0.25m specifically for Knights Academy to fund an improvement plan to tackle behavioural issues at the school.

Unrestricted Funds recorded a deficit of £0.07m in the year such that the fund totalled £1.18m at 31 August 2014. This deficit included an exceptional charge of £0.06m incurred on non-capital reconstruction costs of Hatcham Temple Grove School which burnt down in 2010. The Trust has capitalised the majority of rebuild costs as an asset under construction at £5.93m, funded by insurance proceeds.

The annual actuarial revaluation on the London Pension Funds Authority Scheme (LPFA) and Local Government Pension Scheme (LGPS) resulted in an increase in the pension fund deficit from £1.67m to £4.44m. Of the £4.44m, £3.82m is attributable to LGPS with the remainder being the liability held with LPFA. The Trust does not consider this to represent a major medium term financial risk as the DfE has provided a guarantee for scheme administering authorities that where an academy closes any outstanding scheme liabilities that arise will not fall back on the fund. The results are included in the Restricted General Fund.

Note 18 to the financial statements shows the movement on Restricted and Unrestricted Funds. Total funds of the group amount to £74.26m (2013: £70.01m) of which £1.03m (2013: £0.90m) is freely available. Whilst the Directors are content that the level of available free reserves is sufficient to meet operating needs for the next financial year there is a plan as part of the Reserves Policy to grow funds, particularly in Hatcham, to address the needs of an aging estate.

Reserves policy

A reassessment of the Trust's Reserve Policy was undertaken during the year by the Directors. It was informed by the recently commissioned review of the major risks to which the Trust is exposed, the Trust's future development plans and the backlog maintenance requirements.

The Trust has set a target to build its Unrestricted and Restricted General Funds from the current £1.18m to a minimum of £2.2m by August 2016. This can be achieved by contributions each year equivalent to 1% of income in 2014-15 and 2% in 2015-16.

A designated fund was created in the financial year for Knights Academy at £0.25m. This fund is earmarked for costs needed for improving behavioural issues at the school and will be expensed in totality in 2014-15.

The Reserves Policy is to be reviewed annually as part of the strategic planning exercise.

Haberdashers' Aske's Federation Trust

DIRECTORS' REPORT

31 August 2014

Investment policy and objectives

All free funds are invested in cash deposits at market rates with creditworthy institutions. The CFO is responsible for arranging short-term deposits of the Trust's funds on a daily basis with due regard within policy parameters set out by the Finance Committee. Currently, permitted investments are deposits with approved banks and building societies of up to 12 months' tenure.

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.

PRINCIPAL RISKS AND UNCERTAINTY

The Directors acknowledge their overall responsibility for ensuring that the Trust has an effective and appropriate system of control, financial and otherwise.

It was discovered in October 2012 that the Trust had been subject to financial loss as a result of unauthorised transfers. A key part of the response was to investigate the matter thoroughly with the help of independent professional advisers and to identify lessons learned. Working with its regulatory body, the Education Funding Agency, the Trust has reviewed its internal systems and controls and, where necessary, has enhanced, replaced or modified those.

It completed a review of support services, including finance, as a result of which there have been a number of changes. Financial reporting has been revised and a Scheme of Delegation of authorities is reviewed annually.

The Audit Committee is formed of Directors or independent members with extensive governance experience and/or a professional accounting qualification. It has oversight of both internal and external audit and is responsible for supervision of the risk management policies and procedures, which it reviews annually. Each of the Academies has drawn up their own risk register to include an action plan for the mitigation of top risks. The top risks are a regular agenda item on the school leadership team meetings and are considered termly by the Federation Executive. During the year the Audit Committee commissioned three internal audits, to cover safeguarding, payroll and financial controls at each of our schools. While all of the audits reported that the existing control provided reasonable assurance that the controls were working as planned, the auditors made a series of recommendations to improve the environment still further, all of which have been or will be implemented by the executive team.

PLANS FOR FUTURE PERIODS

The Trust has developed a five year strategy setting out its plans for prudent expansion. Among our existing three secondary and five primary schools, Crayford Academy's secondary phase will grow with the addition of year 11 in 2014 and the addition of a sixth form in the two subsequent years. It has also recently acquired the undersubscribed Slade Green Junior School with the intention of this becoming a two-form entry primary school. Knights Temple Grove has expanded from 1.5 to two forms of entry and in 2013 the Trust opened the two-form entry Hatcham Temple Grove Free School with two reception classes. This school will become full in 2019. The Trust's objective of providing 50% or thereabouts of the secondary intake of each school from its own primary phase has now been achieved at Crayford and will be at Hatcham in 2020. In due course the Trust would need to acquire an additional primary school to become part of Knights Academy to secure 50% of its secondary intake from its own primary phase.

Future plans are founded in a clear understanding that the Trust's existing structure adds value as a result of firstly its size and secondly the fact that all our schools are geographically proximate. Any future expansion would therefore be limited and would need to be within reasonable distance from existing schools. The Trust has identified an opportunity to open a new secondary school in East Dulwich, following an approach from a local parents' campaign group and from the London Borough of Southwark. The Trust has submitted an application to the DfE to open the new school as a free school. If the application is successful the intended opening date is September 2016. In order to support any future expansion the Trust will continue the work underway to strengthen its support functions so that all its schools receive high quality consistent support in finance, HR and facilities.

Haberdashers' Aske's Federation Trust

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31 August 2014

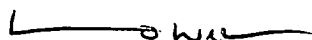
AUDITOR

Insofar as the Directors are aware:

- there is no relevant audit information of which the Trust's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Crowe Clark Whitehill LLP continues in their role as the Trust's External Auditors.

The Directors' report, incorporating a strategic report, approved by order of the board of Directors on 9 December 2014 and signed on the board's behalf by:



BLH Powell
Chairman

Haberdashers' Aske's Federation Trust

GOVERNANCE STATEMENT

31 August 2014

SCOPE OF RESPONSIBILITY

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

The governing body has delegated the day-to-day responsibility of the Trust to the Chief Executive Officer (CEO), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The Trust CEO is also responsible for the reporting to the governing body of any material weaknesses or breakdowns in internal control. The Directors have overseen a comprehensive review and strengthening of internal controls and the oversight of risk as a result of the matters reported to the EFA and the ensuing risk review.

GOVERNANCE

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Federation Trust Board has formally met four times during the year. Attendance during the year meetings of the Trust Board was as follows:

Member	Meetings attended	Out of a possible
Bruce Powell	4	4
Jonathan Bates	3	4
Andrew Barlow	4	4
Michael Baughan	1	2
Richard Lund	4	4
David Martin	2	2
Dr Helen Murphy	2	4
Owen Saxton	4	4
David Lough	3	4
Sylvia Morris	2	4
James Gatehouse	3	4
Martin Knight	3	4
Mary Wetherell	4	4
Adrian Percival	4	4

The Finance Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Member	Meetings attended	Out of a possible
Bruce Powell	4	4
David Lough	4	4
David Martin	2	2
Martin Knight	4	4
Adrian Percival	4	4

The Audit Committee is also a sub-committee of the main governing body. Its purpose is to oversee the effectiveness of the Federation's risk management, financial accounting and reporting systems and policies.

Haberdashers' Aske's Federation Trust

GOVERNANCE STATEMENT

31 August 2014

Attendance at the meetings in the year was as follows:

Member	Meetings attended	Out of a possible
Michael Baughan	2	2
David Lough	3	3
Richard Lund	3	3
Christopher Strong	1	1

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Haberdashers' Aske's Federation Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body previously had a system of reviewing key risks and recognised that it needed improvement. An external consultant was commissioned to conduct an external review of the Trust's risk management methodology, risk map and controls and a new Risk Management Policy has been agreed for the Federation as well as the key risks. Each of the Academies has drawn up their own risk register to include an action plan for the mitigation of top risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks which has been in place for the year ending 31 August 2014 and that this is regularly reviewed and monitored.

THE RISK AND CONTROL FRAMEWORK

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;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major 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.

In compliance with the new financial handbook for Academies, the Trust's Audit Committee has oversight of both internal and external audit and is responsible for supervision of risk management policy and procedures. In September 2013, the board adopted a new risk management methodology, risk map and controls, recommended by the Audit Committee which:

- Identifies responsibility or risk management activities at each level of the organisation
- Provides a framework for effective coordination of risk management activities across the organisation.
- Provides a basis of risk management training programmes across the organisation.
- Ensures timely reporting on risks and risk management activities throughout the organisation.
- Ensures that no significant new projects are initiated or commitments are taken on, without due consideration of the risks that arise from those projects or commitments.

All of the internal audits commissioned reported that the existing processes provided reasonable assurance that the controls were working as planned. The auditors made a series of recommendations, all of which have been or will be implemented to strengthen the control environment further.

Haberdashers' Aske's Federation Trust

GOVERNANCE STATEMENT

31 August 2014

REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO is personally responsible to Parliament, and to the accounting officer of the EFA, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds and has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the internal and external auditors;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 9 December 2014 and signed on its behalf by:



BLH Powell
Chairman



AJ Percival
Accounting Officer

Haberdashers' Aske's Federation Trust

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

31 August 2014

As Accounting Officer of Haberdashers' Aske's Federation Trust I have considered my responsibility to notify the Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



AJ Percival
Accounting Officer

9 December 2014

Haberdashers' Aske's Federation Trust

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 August 2014

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

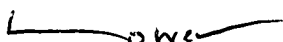
- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable UK Accounting Standards have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

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

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

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

Approved by order of the members of the governing body on 9 December 2014 and signed on its behalf by:



BLH Powell
Chairman

Haberdashers' Aske's Federation Trust

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

31 August 2014

We have audited the financial statements of Haberdashers' Aske's Federation Trust for the year ended 31 August 2014 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Company Balance Sheet, the Group Cash Flow Statement and the related notes numbered 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies' Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic report and the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2014 and of its group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Academies' Accounts Direction 2013 to 2014 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Haberdashers' Aske's Federation Trust

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

31 August 2014

Matters on which we are required to report by exception

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

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

Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Cheltenham

Date 9 December 2014

Haberdashers' Aske's Federation Trust

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2014 (including income and expenditure account)

	Note	Unrestricted funds £000s	Restricted general funds £000s	Restricted fixed asset funds £000s	Total 2014 £000s	Total 2013 £000s
INCOMING RESOURCES:						
<i>Incoming resources from generated funds:</i>						
Voluntary income, donated services and donations in kind	4	339	735	1,589	2,663	1,234
Activities for generating funds - Trading income	5	203	-	-	203	166
Investment income	7	6	-	-	6	4
<i>Incoming resources from charitable activities:</i>						
Funding for the academies' educational operations						
General Annual Grant	2	-	28,439	222	28,661	26,988
Start up grants	2	-	403	-	403	782
Other	2	-	3,005	-	3,005	2,142
Capital Grant	3	-	-	623	623	230
Other incoming resources	6	1,039	139	5,927	7,105	834
TOTAL INCOMING RESOURCES		1,587	32,721	8,361	42,669	32,380
RESOURCES EXPENDED:						
<i>Cost of generating funds:</i>						
Trading expenditure		180	-	-	180	132
<i>Charitable activities:</i>						
Academies' educational operations	9	1,473	31,944	1,785	35,202	32,488
Governance costs	9	-	318	-	318	282
TOTAL RESOURCES EXPENDED	8	1,653	32,262	1,785	35,700	32,902
NET INCOME/EXPENDITURE FOR THE YEAR		(66)	459	6,576	6,969	(522)
OTHER RECOGNISED GAIN AND LOSSES						
Actuarial gains/(losses) on defined benefit pension scheme	13,18	-	(2,763)	-	(2,763)	394
NET MOVEMENT IN FUNDS		(66)	(2,304)	6,576	4,206	(128)
RECONCILIATION OF FUNDS						
Total funds brought forward at 1 September 2013		1,243	(2,000)	70,812	70,055	70,183
Total funds carried forward at 31 August 2014	19	1,177	(4,304)	77,388	74,261	70,055

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 result for the year for Companies Act purposes comprises the net incoming resources before actuarial gains and was a surplus of £6.97m (2013: deficit £0.52m).


Haberdashers' Aske's Federation Trust

CONSOLIDATED AND CHARITY BALANCE SHEETS as at 31 August 2014

Company registration number 2535091

		Group		Charity	
	Note	2014 £000s	2013 £000s	2014 £000s	2013 £000s
FIXED ASSETS					
Tangible assets	14	77,388	70,812	77,388	70,811
Investment in subsidiary	24	-	-	-	-
		<u>77,388</u>	<u>70,812</u>	<u>77,388</u>	<u>70,811</u>
CURRENT ASSETS					
Stock	15	-	23	-	23
Debtors	16	4,472	1,247	4,536	1,398
Cash at bank and in hand		2,517	3,731	2,444	3,588
		<u>6,989</u>	<u>5,001</u>	<u>6,980</u>	<u>5,009</u>
CREDITORS: amounts falling due within one year	17	<u>5,680</u>	<u>4,085</u>	<u>5,677</u>	<u>4,097</u>
NET CURRENT ASSETS		<u>1,309</u>	<u>916</u>	<u>1,303</u>	<u>912</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>78,697</u>	<u>71,728</u>	<u>78,691</u>	<u>71,723</u>
Pension Scheme Liability	13	(4,436)	(1,673)	(4,436)	(1,673)
NET ASSETS INCLUDING PENSION LIABILITY		<u><u>74,261</u></u>	<u><u>70,055</u></u>	<u><u>74,255</u></u>	<u><u>70,050</u></u>
FUNDS					
Restricted Fixed Asset fund	18	77,388	70,812	77,388	70,811
Restricted General Fund	18	132	(327)	132	(327)
Pension Scheme Reserve	18	(4,436)	(1,673)	(4,436)	(1,673)
Restricted General Fund (including pension reserve)	18	(4,304)	(2,000)	(4,304)	(2,000)
Unrestricted Fund	18	1,177	1,243	1,171	1,239
TOTAL CHARITY FUNDS		<u><u>74,261</u></u>	<u><u>70,055</u></u>	<u><u>74,255</u></u>	<u><u>70,050</u></u>

The financial statements on pages 21 to 47 were approved and authorised for issue by the Directors on 9 December 2014 and signed on their behalf by:



BLH Powell
Chairman

Haberdashers' Aske's Federation Trust

CONSOLIDATED CASHFLOW STATEMENT

For the year ended 31 August 2014

	Note	2014 £000s	2013 £000s
NET (OUTGOING)/INCOMING RESOURCES		4,206	(128)
Less: Interest received		(6)	(4)
Add: Depreciation		1,785	1,691
Decrease in stock		23	-
Decrease/(Increase) in debtors		(3,224)	963
Increase in creditors		1,595	1,827
Net movement in pension provision		2,763	(159)
Less: donation in kind		(1,417)	(883)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		<u>5,725</u>	<u>3,307</u>
CASHFLOW STATEMENT			
Net cash inflow/(outflow) from operating activities		5,725	3,307
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		<u>6</u>	<u>4</u>
		5,731	3,311
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(6,945)	(429)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>(1,214)</u>	<u>2,882</u>
MANAGEMENT OF LIQUID RESOURCES AND FINANCING			
Capital element of finance lease rental repayment and loan repayment		-	-
NET INCREASE/(DECREASE) IN CASH	23	<u>(1,214)</u>	<u>2,882</u>
RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS			
		2014 £000s	2013 £000s
Net increase/(decrease) in cash		(1,214)	2,882
Cash out flow from decrease in financing		-	-
Movement in net funds	23	<u>(1,214)</u>	<u>2,882</u>

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

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 not to 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 result for the year for the Trust as an entity was a surplus of £4.21m (2013: £139k deficit). For the subsidiary HAHC Trading Ltd there was a surplus in the year of £nil (2013: £11k).

Company status

The charity is a company limited by guarantee. The members of the company are the Directors indicated on page 3 and 4. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The accounts are prepared on a going concern basis in recognition that government grants for academies, or their successors, will continue for the foreseeable future. For the most part, the funding agreements in respect of each of the schools require seven years notice from either the Trust or the DfE in the event of their termination.

Grant income

Grant income, both revenue and capital, from the Government is recognised on a receivable basis and is recognised as restricted funds.

Other income

Other income, including trading income, investment income, donations, sponsorship, donated facilities and gifts in kind is recognised on a receivable basis where there is reasonable certainty of its receipt at the balance sheet date. The income will be recognised as restricted where there exists restriction on its deployment in the Federation. Donated facilities are recognised at their estimated revenue value to the Trust.

Donated Services and gifts in kind

The values of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

Recognition of liabilities

Liabilities are recognised upon commitment of resources or where there is a legal or constructive obligation.

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:

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

1 ACCOUNTING POLICIES (CONTINUED)

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

Costs of generating funds are those costs necessarily incurred in the generation of trading income (e.g. costs of site supervision).

Governance costs

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

Direct costs

Direct costs are identified as costs arising out of the core business of the Trust in providing primary and secondary education. Direct staff costs are those associated with employees having a direct contact with students on a day to day basis during term time.

Support costs

Support costs are identified as costs arising out of the need to provide statutory and administrative functions to enable the Trust to operate. Support staff costs are those associated with employees not having a direct contact with students on a day to day basis during term time.

Tangible fixed assets

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

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.

Where fixed assets become impaired these are written off immediately.

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%
Fixtures and fittings	20%
Office and Trust equipment	20%
Motor Vehicles	33%

Stock

Stock is valued at the lower of cost and net realisable value, and comprises school uniforms, and prepaid stocks of books and stationery.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

1 ACCOUNTING POLICIES (CONTINUED)

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 corporation tax contained in sections 466 to 493 of the Corporations Tax Act 2010 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 Education. 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.

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 is 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 recognised as an asset or liability on the balance sheet. Any movement is reflected in the Statement of Financial Activities.

Non-teaching members of staff prior to 1991 when the Trust was formed were enabled to remain as members of the London Pension Fund Authority (LPFA). There are no active members of the LPFA. The LPFA is a defined benefit scheme, and the requirements of Financial Reporting Standard 17 (Retirement Benefits) have been followed.

The Trust's share of the LPFA assets is 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 recognised as an asset or liability on the balance sheet. Any movement is reflected in the Statement of Financial Activities.

Funds

The Unrestricted Fund represents monies which may be applied for any purpose within the Trust objectives and arise out of funds earned or donated to the Trust with no restriction. These funds have never been part of government general annual grant income.

Restricted Funds include grants from government and other donors to be used for specific purposes.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

2 FUNDING FOR THE ACADEMIES' EDUCATIONAL OPERATIONS

	Unrestricted Funds £000s	Restricted Funds £000s	Restricted Fixed Asset Fund £000s	2014 Total £000s	2013 Total £000s
DfE/EFA grants:					
General Annual Grant	-	28,439	222	28,661	26,988
Start up grants	-	403	-	403	782
Pupil Premium	-	1,617	-	1,617	1,043
Primary Sports funding	-	21	-	21	24
Year 7 Numeracy and Literacy	-	39	-	39	-
Summer school	-	88	-	88	32
Other government grants					
Special Education Needs	-	737	-	737	862
Sure Start Children Centre	-	114	-	114	114
Early Years funding	-	323	-	323	-
Teacher training	-	4	-	4	6
Other grants	-	62	-	62	61
	-	31,847	222	32,069	29,912

3 CAPITAL GRANTS

	Unrestricted Funds £000s	Restricted Funds £000s	Restricted Fixed Asset Fund £000s	2014 Total £000s	Restated 2013 Total £000s
DfE/EFA grants:					
Devolved Formula Capital	-	-	40	40	-
EFA Capital grants	-	-	492	492	103
Academies Capital Maintenance Fund	-	-	91	91	127
	-	-	623	623	230

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

4 VOLUNTARY INCOME

	Unrestricted Funds £000s	Restricted Funds £000s	Restricted Fixed Asset Fund £000s	2014 Total £000s	Restated 2013 Total £000s
Worshipful Company of Haberdashers	275	93	-	368	296
Temple Grove Schools Trust	-	63	-	63	120
London Borough of Bexley	-	311	90	401	-
EFA donation: Hatcham Temple Grove	-	161	-	161	-
Free School build					
London Borough of Lewisham	-	-	82	82	-
donation: Knights Temple Grove build					
London Borough of Lewisham	-	-	1,417	1,417	780
donation in kind: Knights Temple					
Grove build					
Other gifts	64	107	-	171	38
	339	735	1,589	2,663	1,234

5 TRADING INCOME

	Unrestricted Funds £000s	Restricted Funds £000s	Restricted Fixed Asset Fund £000s	2014 Total £000s	2013 Total £000s
Hire of facilities	191	-	-	191	164
Training and consultancy	12	-	-	12	2
	203	-	-	203	166

6 OTHER INCOMING RESOURCES

	Unrestricted Funds £000s	Restricted Funds £000s	Restricted Fixed Asset Fund £000s	2014 Total £000s	2013 Total £000s
Sundry income, including teacher					
training	228	139	-	367	119
Catering income	811	-	-	811	414
Insurance income	-	-	5,927	5,927	-
Recurrent income	-	-	-	-	301
	1,039	139	5,927	7,105	834

Insurance income of £5.93m relates to funding received in respect of the reconstruction of Hatcham Temple Grove which was burnt down in a fire in 2010.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

7 INVESTMENT INCOME

	Unrestricted Funds £000s	Restricted Funds £000s	Restricted Fixed Asset Fund £000s	2014 Total £000s	2013 Total £000s
Bank interest	6	-	-	6	4

8 RESOURCES EXPENDED

	Staff costs £000s	Depreciation £000s	Other costs £000s	2014 Total £000s	Restated 2013 Total £000s
Academies' educational operations:					
Direct costs	18,742	1,321	6,115	26,178	23,690
Allocated support costs	7,262	464	1,298	9,024	8,798
	26,004	1,785	7,413	35,202	32,488
Cost of generating trading income	153	-	27	180	132
Governance costs	141	-	177	318	282
	26,298	1,785	7,617	35,700	32,902
Incoming/outgoing resources for the year include:				Total 2014 £000s	Total 2013 £000s
Operating leases:					
- Other leases				34	6

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

9 CHARITABLE ACTIVITIES – ACADEMIES' EDUCATIONAL OPERATIONS

	2014 £000s	Restated 2013 £000s
Direct Costs		
Teaching and educational support staff costs	18,466	16,678
Recruitment and medical fees	360	177
Depreciation	1,321	1,251
Books, apparatus and stationery	1,798	1,431
Examination fees	272	283
Staff development	105	74
Other direct costs	3,856	3,796
	<u>26,178</u>	<u>23,690</u>
Allocated Support Costs		
Support staff costs	7,209	6,085
Recruitment and medical fees	139	69
Depreciation	464	440
Pupil recruitment and support	93	120
Maintenance of premises and equipment	210	255
Cleaning	122	127
Rent and rates	39	31
Heat and light	147	124
Insurance	76	70
Security	20	25
Catering	177	141
Technology costs	217	224
Other Costs	45	12
Bank interest and charges	11	14
Exceptional item - Financial loss through unauthorised transfers and associated costs	-	106
Exceptional item - Costs associated with Hatcham Temple Grove fire	55	955
	<u>9,024</u>	<u>8,798</u>
Governance Costs		
Management time	42	54
Support staff costs	98	99
Legal and professional fees	140	105
Fees paid to External Auditor		
- Audit of financial statements	27	24
- Other audit fees	11	-
	<u>318</u>	<u>282</u>

The exceptional item of £55k (2013: £955k) relates to non-capital costs incurred on the reconstruction of Hatcham Temple Grove following a fire in 2010. The exceptional costs of £106k in 2012-13 were incurred for professional fees relating to unauthorised transfers. No such costs were incurred in 2013-14.

10 RELATED PARTY TRANSACTIONS – DIRECTORS' REMUNERATION AND EXPENSES

The Chief Executive Officer only received remuneration in respect of services he provides undertaking the role of CEO, and not in respect of his services as a director. Other directors did not receive any payments, nor reimbursement of expenses during the year (2013: £8).

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

10 RELATED PARTY TRANSACTIONS – DIRECTORS' REMUNERATION AND EXPENSES (CONTINUED)

Adrian Percival (CEO and Director) £150,001 - £160,000

Other related party transactions involving the directors are set out in Note 25.

11 DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Trust has purchased insurance to protect Directors and Officers from claims arising from allegations of negligence and errors or omissions occurring whilst on Trust business. The insurance provided covers up to £5,000,000 in respect of all claims first made during any one period of insurance. The cost of the cover was £3k (2013: £3k).

12 STAFF COSTS

a Staff costs

	2014 £000s	2013 £000s
Wages and salaries	19,099	17,840
Social security costs	1,523	1,487
Pension costs (see note 13)	2,588	2,045
	<u>23,210</u>	<u>21,372</u>
Supply staff costs	2,739	1,614
Staff restructuring costs	349	219
	<u>26,298</u>	<u>23,205</u>

b Staff severance payments

The total value of non-statutory / non-contractual severance payments made in the year was £167,000. Of these 12 payments exceeded £5,000 for the following amounts: £25,000, £22,067, £20,000, £16,280, £14,402, £13,586, £11,375, £10,491, two for £10,000, £7,453 and £6,500.

c Staff numbers

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

	2014 FTE	Restated 2013 FTE
Management	29	29
Support	286	284
Teachers	290	237
	<u>605</u>	<u>550</u>

Haberdashers' Aske's Federation Trust

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For the year ended 31 August 2014

d Higher paid staff

The number of employees earning in excess of £60,000 per annum (including taxable benefits in kind but excluding pension contributions) was:

	2014 Number	2013 Number
£60,001 - £70,000	18	12
£70,001 - £80,000	2	1
£80,001 - £90,000	-	-
£90,001 - £100,000	3	3
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£140,001 - £150,000	-	-
£150,001 - £160,000	1	1
	<u>26</u>	<u>19</u>

Twenty one higher paid employees are members of the Teachers' Pension Scheme. During the year ended 31 August 2014, the employer pension contributions for these staff amounted to £327k (2013 £179k). Five of the higher paid employees are members of the Local Government Pension Scheme. The employer pension contributions for these members totalled £99k (2013: £34k).

13 PENSION COSTS

	2014 £000s	2013 £000s
PENSION SCHEME LIABILITY		
Local Government Pension Scheme	3,833	1,145
London Pension Fund Authority	<u>603</u>	<u>528</u>
	<u>4,436</u>	<u>1,673</u>
 PENSION COST	 2014 £000s	 2013 £000s
Other pension costs included in staff costs comprise:		
Defined benefit scheme - TPS contributions	1,581	1,444
Defined benefit scheme - LGPS pension cost	990	585
Defined contribution scheme	<u>17</u>	<u>16</u>
Total pension costs (Note 12)	<u>2,588</u>	<u>2,045</u>

There are four pension schemes available to employees of the Trust. These are the Teachers' Pension Scheme, the Haberdashers' Aske's Hatcham College Trust Retirement Benefits scheme, the Local Government Pension Scheme (LGPS), administered by the London Borough of Lewisham, and the London Pension Fund Authority (LPFA). The 2014 net liability of £4,436k is made up of £3,833k towards the LGPS and £603k towards LPFA.

Based on the actuarial calculations, the expected 2015 contributions towards LGPS and LPFA are £1.55m and £46k respectively.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

13 PENSION COSTS (CONTINUED)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

13 PENSION COSTS (CONTINUED)

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

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 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 is 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 recognised 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. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The following information is based upon a full actuarial valuation of the fund at 31 March 2004, updated to 31 August 2014 by a qualified independent actuary. Unfunded pension benefit at 31 August 2014 was nil.

The major assumptions used by the actuary were:

	At 31 August 2014	At 31 August 2013	At 31 August 2012
	(% pa)	(% pa)	(% pa)
Inflation	2.6%	2.8%	2.2%
Rate of increase in salaries	4.4%	5.4%	4.5%
Rate of increase in pensions	2.6%	2.8%	2.2%
Discount rate for liabilities	3.7%	4.6%	4.1%

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

13 PENSION COSTS (CONTINUED)

Mortality

Life expectancy is based on the SAPS year of birth tables with the Medium Cohort and a 1.25% underpin. Mortality loadings were applied to the SAPS tables based on membership class. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

		31 August 2014	31 August 2013
Current pensioners	Males	21.7	21.0
	Females	24.0	23.8
Future pensioners	Males	24.4	22.9
	Females	26	25.7

An allowance is included for future retirements to elect to take 25% of the minimum additional tax-free cash up to HMRC limits for pre April 2008 service and 63% of the maximum tax-free cash for post April 2008 service.

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 2014 % p.a.	Fair Value Assets at 31 August 2014 £000s	Expected Return at 31 August 2013 % p.a.	Fair Value Assets at 31 August 2013 £000s
Equities	6.4%	8,429	6.7%	6,802
Bonds	3.3%	2,256	4.0%	1,628
Property	4.5%	950	4.7%	766
Cash	3.3%	237	3.6%	383
Total fair value of assets		11,872		9,579
Actual return on scheme assets		1,231		1,080

Five year history of experience adjustments:

	At 31/8/14 £000s	At 31/8/13 £000s	At 31/8/12 £000s	At 31/8/11 £000s	At 31/8/10 £000s
Fair value of assets	11,872	9,579	7,656	6,307	4,452
Present value of scheme obligations	(15,765)	(10,755)	(8,975)	(6,668)	(5,695)
Net pension asset/obligations	(3,893)	(1,176)	(1,319)	(361)	(1,243)
Experience losses on liabilities	(977)	-	(18)	(1,005)	-
Experience gains on assets	627	684	230	769	111

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

13 PENSION COSTS (CONTINUED)

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

	Year to 31 August 2014 £000s	Year to 31 August 2013 £000s
Employer service cost	1,265	930
Expected return on employer's share of scheme assets	(600)	(395)
Interest on pension liabilities	528	391
Past service cost	-	-
Curtailments and Settlements	29	31
	<u>1,222</u>	<u>957</u>

Amount recognised in actuarial gains within Statement of Financial Activities

	Year to 31 August 2014 £000s	Year to 31 August 2013 £000s
Actual return less expected return on pension scheme assets	2,361	425
Experience gains and losses arising on scheme liabilities	-	-
Changes in financial assumptions underlying the present value of scheme liabilities	-	-
	<u>2,361</u>	<u>425</u>
Cumulative actuarial gains and losses	(3,248)	(887)

CHANGES IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATION

	2014 £000s	2013 £000s
Defined benefit obligation at 1 September	10,755	8,975
Current service cost	1,265	930
Interest cost	528	391
Contributions by members	317	249
Actuarial losses/(gains)	2,988	259
Past service costs	-	-
Curtailments losses/(gains)	29	31
Estimated benefits paid	(117)	(80)
Defined benefit obligation at 31 August	<u>15,765</u>	<u>10,755</u>

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

13 PENSION COSTS (CONTINUED)

CHANGES IN FAIR VALUE OF SCHEME ASSETS

	2014 £000s	2013 £000s
Scheme assets at 1 September	9,579	7,656
Expected return on assets	600	395
Contributions by members	317	249
Contributions by the employer	866	675
Actuarial gains/(losses)	627	684
Estimated unfunded benefits paid	-	-
Estimated benefits paid	(117)	(80)
	<hr/>	<hr/>
Scheme assets at 31 August	11,872	9,579

London Pension Funds Authority (LPFA)

Non-teaching members of staff prior to 1991 were offered membership of the London Pension Funds Authority Scheme. All contributors are either deceased, deferred or pensioners. There are no active contributors to the fund. The LPFA 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 LPFA assets is 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 recognised 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 Trust is currently in discussion with the LPFA regarding a run off of the deficit over the next 20 years. The Trust made a payment during the year ended 31 August 2014 of £32k (2013: £32k) in respect of that liability. The Directors are confident that a satisfactory run off arrangement can be reached and no liability has crystallised at the balance sheet date. All costs arising to date on the LPFA scheme have been accounted for in the Statement of Financial Activities for this and prior years.

The following information is based upon a full actuarial valuation of the fund at 31 August 2014 by a qualified independent actuary. Unfunded pension benefits at 31 August 2014 were nil.

The major assumptions used by the actuary were:

	31 August 2014	31 August 2013
RPI increases	3.2%	3.2%
CPI increases	2.4%	2.4%
Pension increases	2.4%	2.4%
Discount rate	3.6%	3.8%

Mortality

The post retirement mortality is based on Club Vita mortality analysis which has been projected using the medium cohort projection and allowing a minimum improvement of 1.5%.

Based on the assumptions, on the balance sheet date the average future life expectancies at age 65 are summarised below:

Life expectancy from age 65 years	31 August 2014	31 August 2013
Retiring today		
Males	19.8	18.6
Females	25.3	24.3
Retiring in 20 years		
Males	22.2	20.7
Females	27.5	26.2

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

13 PENSION COSTS (CONTINUED)

An allowance is included for 50% for future retirements to elect to take additional tax-free cash up to HMRC limits.

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 2014 % p.a.	Fair value Assets at 31 August 2014 £000s	Expected Return at 31 August 2013 % p.a.	Fair value Assets at 31 August 2013 £000s
Equities	6.6%	85	6.6%	101
Target return portfolio	5.8%	54	5.0%	61
Alternative assets	n/a%	n/a	5.5%	31
Cash	2.9%	26	0.5%	2
Infrastructure	5.9%	7	n/a	-
Commodities	5.8%	2	n/a	-
Property	5.8%	5	n/a	-
Cash flow matching	3.0%	12	3.5	15
Total fair value of assets		<u>191</u>		<u>210</u>

	At 31 August 2014 £000s	At 31 August 2013 £000s	At 31 August 2012 £000s	At 31 August 2011 £000s	At 31 August 2010 £000s
Fair value of assets	191	210	192	166	209
Present value of scheme obligations	(795)	(739)	(705)	(655)	(640)
Net liability	<u>(604)</u>	<u>(529)</u>	<u>(513)</u>	<u>(489)</u>	<u>(431)</u>
Experience gains/(losses) on liabilities	(40)	-	-	(26)	105
Experience gains/(losses) on assets	22	16	6	(31)	5

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

	Year to 31 August 2014 £000s	Year to 31 August 2013 £000s
Current service cost	-	-
Expected return on employer's share of scheme assets	(12)	(10)
Interest on pension liabilities	27	27
Past service cost (gains)	-	-
Total	<u>15</u>	<u>17</u>
Actual return on Scheme assets	14	26

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

13 PENSION COSTS (CONTINUED)

CHANGES IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATION	2014 £000s	2013 £000s
Defined benefit obligation at 1 September	739	705
Current service cost	-	-
Interest cost	27	27
Contributions by members	-	-
Actuarial losses/(gains)	70	47
Past service cost/(gain)	-	-
Estimated benefits paid	(41)	(40)
Defined benefit obligation at 31 August	795	739
CHANGES IN FAIR VALUE OF SCHEME ASSETS		
Scheme assets at 1 September	210	192
Expected return on assets	12	10
Contributions by members	-	-
Contributions by the employer	32	32
Actuarial (losses)/gains	(22)	16
Estimated benefits paid	(41)	(40)
Scheme assets at 31 August	191	210
RECONCILIATION OF OPENING AND CLOSING DEFICIT		
Deficit at 1 September	(529)	(513)
Current service cost	-	-
Employer contributions	32	32
Unfunded pension payments	-	-
Past Service Costs	-	-
Other finance expense	(15)	(17)
Settlements and curtailments	-	-
Actuarial (losses)/gains	(92)	(31)
Deficit at 31 August	(604)	(529)

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

14 TANGIBLE FIXED ASSETS

<i>GROUP</i>	Freehold and Long leasehold Land and Buildings	Fixtures and Fittings	Office and Trust Equipment	Motor Vehicles	Total
	£000s	£000s	£000s	£000s	£000s
COST					
At 1 September 2013	81,533	417	3,211	95	85,256
Additions	7,741	293	327	-	8,361
Disposals	-	-	-	-	-
At 31 August 2014	89,274	710	3,538	95	93,617
DEPRECIATION					
At 1 September 2013	11,056	335	2,962	91	14,444
Charge for the year	1,645	55	81	4	1,785
Disposals	-	-	-	-	-
At 31 August 2014	12,701	390	3,043	95	16,229
NET BOOK VALUE					
At 31 August 2014	76,573	320	495	-	77,388
At 31 August 2013	70,447	82	249	4	70,812
CHARITY					
COST					
At 1 September 2013	81,533	417	3,190	95	85,235
Additions	7,741	293	328	-	8,362
Disposals	-	-	-	-	-
At 31 August 2014	89,274	710	3,518	95	93,597
DEPRECIATION					
At 1 September 2013	11,056	335	2,942	91	14,424
Charge for the year	1,645	55	81	4	1,785
Disposals	-	-	-	-	-
At 31 August 2014	12,701	390	3,023	95	16,209
NET BOOK VALUE					
At 31 August 2014	76,573	320	495	-	77,388
At 31 August 2013	70,477	82	248	4	70,811

The Trust's transactions in relation to Land and Buildings included the acquisition of building extensions at Knights Temple Grove which was donated by the London Borough of Lewisham at a value of £1.42m. The Trust also capitalised assets under construction at Hatcham Temple Grove for £5.93m funded from insurance proceeds and Hatcham Temple Grove Free School at £492k which is funded by the EFA. Improvements to the Knights Academy playground which were funded by the EFA via the Academies Maintenance Capital Fund were recognised at a value of £91k.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

14 TANGIBLE FIXED ASSETS (CONTINUED)

The charity net book value at 31 August 2014 represents fixed assets used for:

	Long Leasehold Land and Buildings £000s	Fixtures and Fittings £000s	Office and School Equipment £000s	Motor Vehicles £000s	Total £000s
Educational provision	76,573	320	495	-	77,388

15 STOCK

	Group		Charity	
	2014 £000s	2013 £000s	2014 £000s	2013 £000s
School uniforms	-	8	-	8
Books and stationery	-	5	-	5
Catering	-	10	-	10
	-	23	-	23

16 DEBTORS

	Group		Charity	
	2014 £000s	2013 £000s	2014 £000s	2013 £000s
Trade debtors	340	32	312	145
Amounts owed from subsidiary undertaking	-	-	177	9
Gift Aid due to Trust	-	-	11	29
Other debtors	2,950	939	2,855	939
Prepayments and accrued income	1,182	276	1,181	276
	4,472	1,247	4,536	1,398

17 CREDITORS: amounts falling due within one year

	Group		Charity	
	2014 £000s	2013 £000s	2014 £000s	2013 £000s
Trade creditors	1,615	1,497	1,614	1,497
Amount due to subsidiary undertaking	-	-	-	15
Taxation and social security	454	447	454	447
Other creditors	926	389	926	389
Provisions	790	586	790	586
Accruals and deferred income	1,895	1,166	1,893	1,163
	5,680	4,085	5,677	4,097

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

17 CREDITORS: amounts falling due within one year (continued)

Deferred Income

	Group 2014 £000	2013 £000	Charity 2014 £000	2013 £000
Brought forward at 1 September	282	38	282	38
Resources deferred in the year:	238	282	238	282
Amounts released during the year	(282)	(38)	(282)	(38)
Deferred income at 31 August	238	282	238	282

In 2013-14, deferred income includes EFA funding received for universal infant free school meals which commences in 2014-15, rates rebate, capital grants and in the case of Knights Academy funding for a sports organiser attributable to the next financial year. In 2012-13, deferred income related to GAG clawbacks which the EFA reclaimed for Crayford and Knights Academies.

Provisions

	Group 2014 £000	2013 £000	Charity 2014 £000	2013 £000
Brought forward at 1 September	586	-	586	-
Provisions made in the year	790	586	790	586
Provisions released during the year	(586)	-	(586)	-
Provisions at 31 August	790	586	790	586

The provision set in 2013-14 of £790k relates to the estimated additional costs incurred during the reconstruction of Hatcham Temple Grove following a fire in 2010 which may fall outside the building contract. The building works are scheduled to end in December 2014 thus it is expected the provision will be utilised or released in full during the financial year 2014-15.

In 2012-13 a provision was added to reflect environmental cleaning and structural costs in relation to the rebuilding of a primary school in Hatcham Temple Grove. The provision was released in full during the course of the year.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

18 STATEMENT OF FUNDS

	1 September 2013 £000s	Incoming Resources £000s	Resources Expended £000s	Transfers and Actuarial Gains £000s	31 August 2014 £000s
General Annual Grant (GAG)	(339)	28,438	(27,999)	(250)	(150)
Start up grant	-	403	(403)	-	-
Other grants	-	3,120	(3,120)	-	-
Other incoming resources	-	24	(24)	-	-
Voluntary income	12	736	(716)	-	32
Knights Academy Improvement Plan	-	-	-	250	250
Pension Scheme reserve	(1,673)	-	-	(2,763)	(4,436)
RESTRICTED GENERAL FUNDS	(2,000)	32,721	(32,262)	(2,763)	(4,304)
DfE funding	30,002	623	(781)	-	29,844
Local authority funding	-	172	-	-	172
Recurrent funding	2,275	222	(140)	-	2,357
Private sector	6,081	-	-	-	6,081
Insurance funding	-	5,927	-	-	5,927
Donations in kind	32,454	1,417	(864)	-	33,007
FIXED ASSET FUNDS	70,812	8,361	(1,785)	-	77,388
TOTAL RESTRICTED FUNDS	68,812	41,082	(34,047)	(2,763)	73,084
UNRESTRICTED FUNDS	1,243	1,587	(1,653)	-	1,177
TOTAL FUNDS	70,055	42,669	(35,700)	(2,763)	74,261

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

- GAG funding comprises those funds restricted for the provision of education services under the funding agreement with the DfE. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.
- Start up grants are restricted to those costs associated with the initiation of an academy school; such costs include curriculum costs and increased costs of working in the initial years of an academy arising out of diseconomies of scale.
- Other grants includes Pupil Premium and SEN Top-Up, Year 7 Numeracy and Literacy catch up and Primary Schools Sports Funding as well as amounts received from local authorities for equipment and is restricted within these categories.
- Other incoming resources relate to welfare funding raised and are restricted.
- Voluntary income includes restrictive and unrestrictive sponsorship funding including the Worshipful Company of Haberdashers and the Temple Grove Schools Trust grants. The Temple Grove Schools Trust funds are restricted to the support of enrichment activities in the primary phases of the schools.
- The Knights Academy Improvement Plan is a designated fund set up in the year to fund the cost of improvements needed to tackle behavioural issues at the school.
- The fixed asset funds have been set up to assist in identifying those funds that are not free funds and represent the net book value of charity tangible fixed assets funded either through DfE capital, recurrent or private funding.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

18 STATEMENT OF FUNDS (CONTINUED)

- The Unrestricted Fund represents the general funds of the charity which are not designated for particular purposes.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2014 were allocated as follows:

	2014 £000
Federation	761
Crayford Academy	96
Hatcham College	207
Hatcham Temple Grove Free School	4
Knights Academy	236
HAHC Trading Ltd	11
HAHC Education Ltd	(6)
Total before fixed asset fund and pension reserve	1,309
Restricted fixed asset fund	77,388
Pension reserve	(4,436)
Total	74,261

ANALYSIS OF ACADEMIES BY COST

	Teaching & educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total £000
Federation	-	-	-	215	215
Crayford Academy	4,445	2,285	303	1,440	8,473
Hatcham College	7,477	3,198	482	4,658	15,815
Hatcham Temple Grove Free School	167	111	16	274	568
Knights Academy	6,285	2,625	812	1,705	11,427
HAHC Trading Ltd	-	-	-	180	180
	18,374	8,219	1,613	8,472	36,678

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

19 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Fund £000s	Restricted Fixed Asset Fund £000s	Restricted General Fund £000s	Total £000s
Tangible fixed assets & investments	-	77,388	-	77,388
Current assets	6,707	-	282	6,989
Current liabilities	(5,530)	-	(150)	(5,680)
Pension scheme liability	-	-	(4,436)	(4,436)
	<u>1,177</u>	<u>77,388</u>	<u>(4,304)</u>	<u>74,261</u>

20 CAPITAL COMMITMENTS

As at the 31 August 2014 the Trust was engaged in three capital commitments which are funded either from insurance proceeds or the EFA.

	2014 £000	2013 £000
Contracted for, but not provided in the financial statements	<u>6,659</u>	<u>5,800</u>

21 FINANCIAL COMMITMENTS

Operating Leases

Financial commitments under non-cancellable operating leases for equipment will result in the following payments falling due in the year to 31 August 2014 for both the charity and group:

	2014 £000s	2013 £000s
OTHER		
Expiring within one year	-	-
Expiring within two and five years	<u>34</u>	<u>6</u>
	<u>34</u>	<u>6</u>

22 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 Education 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

For the year ended 31 August 2014

23 NOTE TO CASHFLOW STATEMENT

ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £000s	Cash flows £000s	31 August 2014 £000s
Cash at bank and in hand	3,731	(1,214)	2,517
Debt due within one year	-	-	-
Debt due after one year	-	-	-
	<u>3,731</u>	<u>(1,214)</u>	<u>2,517</u>

24 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:

	2014 £000s	2013 £000s
PROFIT AND LOSS ACCOUNT		
Turnover	191	171
Other operating expenses	(180)	(132)
Net profit	<u>11</u>	<u>39</u>
Amount gifted to the charity	(11)	(28)
Retained in subsidiary	<u>-</u>	<u>11</u>
BALANCE SHEET		
Assets	194	216
Liabilities	(183)	(205)
Net funds	<u>11</u>	<u>11</u>

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.

There were no activities in the year as the company is dormant. All balance sheet items have been consolidated on a line by line basis.

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

	2014 £000s	2013 £000s
BALANCE SHEET		
Assets	3	3
Liabilities	(9)	(9)
Net funds	<u>(6)</u>	<u>(6)</u>

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

25 RELATED PARTY TRANSACTIONS

The Worshipful Company of Haberdashers, which sponsors the Trust, provided eight Directors to the governing body. The Company donated £368k during the year (2013: £299k).

The Temple Grove School Trust, which holds endowment funds for the benefit of the primary phases of the Trust schools, provided two co-opted Directors to the governing body. The Temple Grove Schools Trust donated £64k during the year (2013: £120k).

Richard Lund, a Director and Member of HAFT, is also the CFO of Doughty Hanson & Co, a private equity fund management company. Doughty Hanson & Co donated £10k in the year to Crayford Academy for playground equipment and books.

All donations were conducted at arm's length.

Haberdashers' Aske's Federation Trust

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF HABERDASHERS' ASKE'S FEDERATION TRUST AND THE EDUCATION FUNDING AGENCY For the year ended 31 August 2014

In accordance with the terms of our engagement letter dated 1 February 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Haberdashers' Aske's Federation Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Haberdashers' Aske's Federation Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Haberdashers' Aske's Federation Trust Academy Trust's funding agreement with the Secretary of State of Education dated 27 August 2013 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

Haberdashers' Aske's Federation Trust

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF HABERDASHERS' ASKE'S FEDERATION TRUST AND THE EDUCATION FUNDING AGENCY

For the year ended 31 August 2014

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe Clark Whitehill LLP

Statutory Auditor

Cheltenham

Date 9 December 2014