

Haberdashers' Aske's Federation Trust
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 August 2021



Company Registration Number: 02535091

Haberdashers' Aske's Federation Trust
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Haberdashers' Aske's Federation Trust

DIRECTORS' REPORT

31 August 2021

LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS

Serving in the year and up to 13 December 2021;

Name	Committees	Role
Director ex officio		
Jan Shadick	1,2,8,11,12	Chief Executive Officer & Accounting Officer Appointed 1 September 2020
Director nominated by the Members of the Trust		
Ade Adetosoye	6	Nominated Director, Appointed 8 March 2021
Anthony Cann	8	Nominated Director
Christopher Hardie	7	Nominated Director
John Fernau	1,7	Nominated Director
Nicholas Jenkins	2,4,5,10	Nominated Director, Chair of Standards Committee Resigned 29 June 2021
Oliver Harrison	2,4	Nominated Director, Chair of Standards Committee Appointed 5 July 2021
Rupert McNeil	4	Nominated Director, Chair of People Committee Appointed 1 January 2021
Nicholas Scarles	1,4	Chair, Member, Chair of Finance Committee
Sheridan Swallow	1,3	Nominated Director, Chair of Audit & Risk Committee

Director appointed by the Temple Grove Schools Trust

Simon Lough	1,3,6,11	Vice Chair, Nominated Director
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Co-opted Directors

Joanna Abeyie	4,5,9	Chair of People Committee Resigned 23 October 2020
Adam Glossop	1	Appointed 24 August 2021
Sue John	2,4	Appointed 1 September 2021
William Macpherson	5	
Nicola Trott	2	

Individuals co-opted to the finance committee

Christopher (Ludo) Hashemi

Vidur Gupta

Resigned 10 May 2021

Individual co-opted to the standards committee

Cassandra Buchanan 8

Individual co-opted to the audit & risk committee

John Shuffrey

KEY TO SUB-COMMITTEES

1. Finance Committee
2. Standards Committee
3. Audit & Risk Committee
4. People Committee
5. Hatcham College Local Governing Body Committee
6. Knights Academy Local Governing Body Committee
7. Crayford Academy Local Governing Body Committee
8. Borough Academy Local Governing Body Committee
9. Hatcham Temple Grove Local Governing Body Committee
10. Hatcham Temple Grove Free School Local Governing Body Committee
11. Knights Temple Grove Local Governing Body Committee
12. Crayford Temple Grove Local Governing Body Committee
13. Slade Green Temple Grove Local Governing Body Committee

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MEMBERS OF THE COMPANY

In office on 13 December 2021

The Worshipful Company of Haberdashers

Nicholas Scarles

Simon Lough

Richard Glover

Angus Watson

Andrew Chambers

Arabella Gonzalez

Appointed 15 June 2021

Resigned 15 June 2021

Appointed 11 October 2021

ACADEMIES AND SCHOOLS

The Trust's ideal model is that each of the school clusters comprises a secondary school partly fed by pupils progressing from its own primary school or schools.

1. Haberdashers' Aske's Hatcham College – secondary school
Haberdashers' Aske's Hatcham Temple Grove – primary school
Haberdashers' Aske's Hatcham Temple Grove Free School – primary school
2. Haberdashers' Aske's Crayford Academy – secondary school
Haberdashers' Aske's Crayford Temple Grove – primary school
Haberdashers' Aske's Slade Green Temple Grove – primary school
3. Haberdashers' Aske's Knights Academy – secondary school
Haberdashers' Aske's Knights Temple Grove – primary school
4. Haberdashers' Aske's Borough Academy – secondary school

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Key Management Personnel Executives in role on 13 December 2021

CENTRAL EXECUTIVE

Jan Shadick	Chief Executive Officer
Kafilat Agboola	Director of Professional Learning
Julie Amory	Director of Human Resources
Paul Atkinson	Finance Director & Company Secretary
Catherine Bartlett	Director of Communications
Marianne Newton	Governance Professional

SECONDARY EXECUTIVE

Tesca Bennett	Principal, Knights Academy
Declan Jones	Principal, Borough Academy
Seema Solani	Principal, Hatcham College
Steve Wheatley	Principal, Crayford Academy

PRIMARY EXECUTIVE

Katy Ellis	Principal, Crayford Temple Grove
Emily Gyimah	Principal, Hatcham Temple Grove
Jan Mintram	Principal, Slade Green Temple Grove
Jason Ofori	Principal, Knights Temple Grove
David Welsh	Principal, Hatcham Temple Grove Free School

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**PRINCIPAL AND
REGISTERED OFFICE**

Haberdashers' Aske's Federation Trust
Pepys Road
London, SE14 5SF

**COMPANY REGISTRATION
NUMBER**

02535091 (England & Wales)

ADVISERS

EXTERNAL AUDITOR

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

INTERNAL AUDITOR

MHA Macintyre Hudson
2 London Wall Place
Barbican
London
EC2Y 5AU

BANKERS

Barclays Bank plc.
1 Churchill Place
London
E14 5HP

SOLICITORS

Eversheds Sutherland
1 Wood St
London
EC2V 7WS

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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 financial statements together with the auditor's report for the year ended 31 August 2021 and confirm that the latter have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and in the Republic of Ireland (FRS102) (effective January 1st 2019) – Charities SORP (FRS102) second edition and the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Trust is a charitable company limited by guarantee (registered number 02535091) and an exempt charity. The Trust became an exempt charity under the provisions of the Academies Act 2010. Particulars of the Trust and of its Members, Directors, Key Management Personnel and Executive teams are shown on pages 3 to 6.

MEMBERS AND THE GOVERNING BODY

The Worshipful Company of Haberdashers has the right to appoint up to four Members of the Trust. The Chair of the Board of Directors is a fifth (ex-officio) Member. 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 new 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 10 Directors nominated by the Members, up to two Temple Grove Schools Trust appointed Directors, the Chief Executive Officer of the Trust (ex officio) and up to six co-opted Directors appointed by those member nominated Directors. The total number of member nominated Directors must at all times exceed the combined total of all other Directors. The names of those Directors who served during the year, or who are in office at the date of this report, are given on page 3.

MEMBERS' LIABILITY

Each member of the Trust undertakes to contribute a sum, not exceeding £10, to the assets of the Trust in the event of its being wound up while he or she is a member of the Trust or within one year of ceasing to be a member, in respect of undischarged debts and liabilities incurred by the Trust before the date that he or she ceased to be a member.

GOVERNING DOCUMENT

The principal governing documents of the Trust, which was formed on 28 August 1990, are its Memorandum, Articles of Association and funding agreements. The company, being a company limited by guarantee, does not have a share capital. The Secretary of State for Education has the power to direct the directors of the Trust in certain limited circumstances where the quality of education is deemed to be unsatisfactory.

METHOD OF RECRUITMENT AND APPOINTMENT OF DIRECTORS

Directors are recruited based on the skills that they will bring to the Trust board. Directors are appointed under the terms of clauses 45 to 58 of the Company's Articles of Association. There are no parent directors since parent governors are entitled to be appointed on each of the local governing bodies of the academies (clauses 53 to 56D of the Articles of Association). Candidates for the position of director are identified through national advertising and on the recommendation of suitably qualified individuals, by current directors, by the members, by the Worshipful Company of Haberdashers and by the Temple Grove Schools Trust. This process is overseen by the Trust People Committee.

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DIRECTORS' REPORT

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POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

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

ORGANISATIONAL MANAGEMENT

There are currently four school clusters:

- (1) Haberdashers' Aske's Hatcham College and primary schools Hatcham Temple Grove Free School and Hatcham Temple Grove School at New Cross, London;
- (2) Haberdashers' Aske's Knights Academy and primary school, Knights Temple Grove, at Grove Park, Lewisham
- (3) Haberdashers' Aske's Crayford Academy and primary schools, Crayford Temple Grove and Slade Green Temple Grove at Crayford, Kent and;
- (4) Haberdashers' Aske's Borough Academy at Borough in Southwark.

Each of the nine schools is designated as an Academy within the meaning of the Education Act 2002. Crayford Academy, Hatcham College and Knights Academy offer education for children aged eleven to eighteen years, and Borough Academy will do the same once all its year groups are open. Crayford Temple Grove, Hatcham Temple Grove, Knights Temple Grove and Slade Green Temple Grove offer education to children aged three to eleven years, Hatcham Temple Grove Free School offers education to children aged four to eleven years.

Each of the Academies has its own Local Governing Body committee. These committees comprise a Chair and a number of local governors who are representatives of the local community, elected parents, and Trust Board Nominees. The Local Governing Body committees ensure that the school improvement cycle is correctly monitored and evaluated and provide challenge and support to the Academy Principals and their leadership teams.

The other committees of the Trust Board are:

- (1) The Finance Committee, which reports to the Board on finance, central services and premises related issues including estate capital spending;
- (2) The Standards Committee, which has responsibility for monitoring academic standards and school improvement;
- (3) The Audit & Risk Committee, which has the remit to oversee risk management and audit processes; and,
- (4) The People Committee, which deals with all human resources matters, approves pay recommendations and the pay of key management executives.

The day to day running of the schools is delegated to the Principals of each Academy supported by the Trust's Central Services Team all under the leadership of the Chief Executive Officer, who is also a Director and the Accounting Officer of the Trust.

ARRANGEMENTS FOR SETTING THE REMUNERATION OF THE TRUST'S EXECUTIVE TEAM

The remuneration (comprising salary, pension contributions and employee benefits) of the Trust's Executive Team as disclosed on page 5 is reviewed annually. The Trust's CEO makes recommendations (on all except the CEO's own remuneration) having regard to established national leadership scales, the range of compensation arrangements pertaining in education establishments of comparable size, performance, complexity and within the broad geographic area covered by the Trust. These recommendations are considered by the Trust's People Committee, which currently consists of three Directors with the CEO in attendance (except when her own remuneration is under consideration). The members of the People Committee consider the CEO's remuneration

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and seek external advice in doing so, when appropriate. The Committee sets the annual salaries of the Trust's Executive Teams at a level that, individually and in aggregate, it believes, is both affordable, and a just and proper compensation for the work undertaken and for the responsibilities assumed.

TRADE UNION & FACILITY TIME

No employee acted as trade union representative and no facility was used by a trade union representative in the relevant period. The Trust does not recognise trade unions for the purpose of collective bargaining.

RELATED PARTIES AND OTHER CONNECTED CHARITIES

The Trust is generously sponsored financially and to a significantly greater degree in the provision of guidance and support in relation to the setting of its ethical, social and educational aspirations by, first, the Worshipful Company of Haberdashers, one of the Great Twelve City of London Livery Companies, tracing its origins back to medieval times, having been incorporated by Royal Charter in 1448 during the reign of Henry VI. The Worshipful Company of Haberdashers has a long and committed association with the provision of education for young people. During 2021, charities of which the Worshipful Company of Haberdashers is a trustee provided grants of £551k (2020: £516k) of which £455k was unrestricted and £96k was restricted. A total of £487k is reflected in the income and expenditure with £64k being deferred to the 2021-22 academic year.

The Trust is further supported by the Temple Grove Schools Trust, which was founded in 1956 when it assumed responsibility for Temple Grove, one of the country's oldest preparatory schools. After the closure of Temple Grove in 2004, the Temple Grove Schools Trust began to support primary education in challenging areas of the country. In addition to its special interest in the primary schools within the Federation, the Temple Grove Schools Trust is responsible for the governance of the Temple Grove Academy in Tunbridge Wells, Kent. During 2021, the Temple Grove Schools Trust made a cash donation of £71k (2020: £72k) to the Federation of which £30k was deferred to the 2021-22 academic year.

GROUP STRUCTURE

The Trust has two subsidiary companies. HAHC Trading Limited is active and engaged in the letting of school premises on behalf of Trust schools. HAHC Education Ltd is dormant.

EMPLOYEE ENGAGEMENT

The People Committee has responsibility to challenge and reflect upon the welfare, pay, benefits, development and HR policies affecting all staff members. The Trust encourages staff contributions at all levels and close collaboration between the academies in teaching and back office services. Continuing professional development is critical to the success of employees and the Trust. Two of the inset days bring staff together from the whole of the Trust schools to share their knowledge and experience and receive training and development according to their need and/or specialisation. Academies hold regular staff meetings and staff induction is undertaken for new joiners. The staff intranet provides a wealth of information including policies, guidance notes and handbooks.

EQUAL OPPORTUNITIES POLICY

The Directors recognise that equality of opportunity is an integral part of good practice within the workplace. The Trust has established equal opportunities policies covering all aspects of its activities, including a working environment in which the contributions of all are fully valued and where the needs of each individual are, as far as possible, fully met. Within the context of the Trust's code of conduct, it encourages each member of the Trust to be proud of their race, culture, religion, ability, secularity, sexuality and everything that makes up their individuality.

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ENGAGEMENT WITH SUPPLIERS, AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE TRUST

The Directors encourage the Central Executive Team and School Principals to establish effective community engagement by way of parental meetings, access to policies together with engaging and effective websites. Each school has its own admission policy which is reviewed annually to ensure it meets the need of the communities they serve. The Local Governing Body committees draw representation from local parents and the wider business communities. The Directors encourage staff contributions at all levels. Member deputation days to visit schools are conducted annually. Pupils entering year 7 will undertake a visit to the Haberdashers Hall. Supplementary funding is available to support extra-curricular activities and outcomes are communicated to all stakeholders. The Trust conducts business with its suppliers in a professional way seeking the best value for its needs. The procurement policy is published on the Trust website and suppliers can request information on larger supplier payments to gain an understanding of the types of purchases made by the Trust. The management of expenditure budgets are devolved to each academy, however, some services that are common are purchased centrally from a single supplier to obtain economies of scale and consistency of service.

OBJECTIVES AND ACTIVITIES

CHARITABLE OBJECTS

The Trust's objective is to advance, for the public benefit, primary and secondary 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 primary and 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 upon the values of aspiration and achievement, personal responsibility, self-discipline and mutual respect. The Trust is forward looking and values innovation but always within the context of its long tradition of providing excellent education. Based upon these values, the Trust aims to ensure that all the children and young people who come to its 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 the love of learning that they will need in order to be successful in the world, which they will join as adults.

Our mission is to support pupils to succeed at school so that they can succeed in their lives and flourish.

OBJECTIVES FOR THE YEAR

The strategic objectives of the Trust are set out in its development plan. It is focused upon the key areas of curriculum, teaching, leadership and it is driven by 5 key strategies – School Improvement, People, Equality Diversity and Inclusion, Well-Being and Business Sustainability.

The Trust places equal importance on maintaining its estates and infrastructure, the integrity of its financial systems, support provided to staff through the human resources services and the underpinning of each by information technology now encompassed in the Business Sustainability strategy.

This year in response to the COVID-19 challenges the Trust has accelerated the provision of online learning platforms across all key stages and introduced virtual classrooms at all secondary schools. This has enabled teachers to deliver lessons remotely and for pupils to supplement their studies in their own time, delivering work back to the school for review and marking.

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STRATEGIES TO ACHIEVE THE YEAR'S OBJECTIVES

The Trust produces detailed development plans each year, including for the year ended 31 August 2021. These are the Trust Development Plan and the Academy Development Plans for individual schools. The CEO, working with Principals and Central Services Directors develop the Trust's Five Year Strategy priorities.

The CEO reports on relevant Key Performance Indicators ("KPIs") at each Trust Board meeting. The main KPIs reported for each school are pupil attainment and progress – including both how many children achieve the nationally expected standards and how many achieve higher standards (e.g. top grades at GCSE or A level) – attendance, quality of teaching, behaviour, admissions and data related to staff recruitment and retention. The Principals of each Academy report on the same KPIs, as they apply to their own school, at each Local Governing Body meeting.

PRINCIPAL ACTIVITIES FOR THE YEAR

The principal activity for the year has been the provision of primary and secondary education at all nine schools. A total of 1,610 primary students from nursery to year 6 and 3,994 secondary pupils including 714 sixth form pupils were on roll during the year.

PUBLIC BENEFIT

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities for that year. The Directors consider that the Trust's aims are demonstrably to the public benefit.

The key public benefit delivered by the Trust is the maintenance and development of a high-quality education delivered to the young people of the community that each school serves. The Trust aims to provide local young people with a broad and balanced curriculum with schools specialising in selected subject areas. The Trust works specifically to improve the career aspirations of the young people and has grown the total numbers of pupils in the 6th forms to increase the number of young people educated by the Trust entering further education.

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STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Jan Shadick commenced as Chief Executive and Accounting Officer on 1st September 2020. During this first year the Trust has completed a review and refresh of the Trust Vision and 5 year strategy together with a repositioning of the Central Services Team.

This has culminated in our Vision for 2026

"Every School an excellent school"

- Excellent outcomes for ALL children and young people so that they can be successful in their next steps and future lives;
- To be regarded as a great employer, attracting, retaining and developing the best staff;
- To be the Trust of choice and a welcome presence in our communities.

The vision is accompanied by the 5 key priorities which have been embedded through extensive consultation with the leadership teams. They are to:

1. Implement a high-quality curriculum for ALL subjects which supports ALL teachers and pupils to be successful;
2. Embed the Haberdashers Principles so that all teaching promotes strong progress;
3. Support the development of strong leadership at every level so that a culture of high expectation and ambition is driven across the Trust, underpinned by our values;
4. Establish an effective and well-regarded central services team through our business, professional learning and school improvement functions;
5. Build the brand of Haberdashers so that 'proud to be Haberdashers' is synonymous with excellence, understood and owned by everyone.

Underpinning these priorities are our 'big five' strategies. They are:

- School Improvement supported by:
- People
- EDI
- Mental Health and Well-Being
- Business Sustainability

Changes in the composition of the Central Team have seen greater emphasis applied to school improvement resources and HR support. This has culminated in the appointment from September 2021 of two Directors of School Improvement, one each for Secondary and Primary Phases respectively, and in July the appointment of an HR Director.

For a second year, GCSE and A-level grades have again been awarded on the basis of Teacher assessment, as a result of the COVID-19 virus control measures introduced by central government. The consequential absence of independent and national benchmark data for attainment and progress has made it more difficult for Directors to assess the progress made in achieving the Trust's academic aims. Year 11 and year 13 students teacher assessed grades was considered good evidence that performance was satisfactory.

During the second COVID-19 lockdown the Trust continued to provide education for all of the children of critical workers and all of the vulnerable children who attend the Trust's schools and who needed that provision. For the remainder of students the Trust provided a programme of remote learning which was developed considerably

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during the lockdown period. It was made accessible to more students by the Trust Board's decision to purchase further laptops at the Trust's expense, in addition to those ultimately provided by the DfE.

Borough Academy, in Southwark, continued with its construction and operated for year 7 and 8 from two sites throughout the year. All pupils, now comprising 3 year groups have now been brought onto the new site and the school is acclimatising to these facilities.

ATLAS, the Trust's former teaching school, has concluded its external commitments on behalf of Lewisham and its resources have been transferred to school improvement. It now operates as the "Habs Professional Institute"

OPERATIONAL PERFORMANCE OF THE SCHOOLS AND KEY INDICATORS

At the beginning of the academic year 2021/22, of the Trust's nine schools, one was judged outstanding by Ofsted, two were judged to be good and one was judged to require improvement. Five had not yet been inspected. The Trust undertakes monitoring and challenge days with the Senior Leadership of each school to ensure their respective activities are addressing the needs of the pupils and any perceived shortcomings identified by Ofsted.

The Trust's policy is to set targets for pupil progress, which would put it in the top performing multi-academy trusts for key stage 2, key stage 4 and the sixth form. The Trust's five year strategy focuses on improving progress at each key stage. The Trust uses a basket of Key Performance Indicators (KPIs), which focus principally on progress. The KPIs draw extensively on the national school performance measures published by the Department for Education (DfE). These are explained in detail by the DfE in the following guidance.

<https://www.gov.uk/government/publications/progress-8-school-performance-measure>.

The Trust's schools have collected teacher assessment grades for all students at the end of Key Stage 2, Key Stage 4 and Year 13. Careful moderation was applied to all of these grades, especially those for GCSE and sixth form qualifications. However, these grades cannot be used to calculate the progress measures by which the Trust would usually assess its performance, as there is no national comparator data available for the current year. The Trust's teacher assessed grades indicate that attainment improved on the previous year and was in line with other published data.

SUBSIDIARY COMPANY PERFORMANCE

HAHC Trading Ltd has continued to operate its lettings business. The COVID-19 virus control measures limited its ability to let out school facilities causing the value of rental income received in the year declined significantly from the previous year. HAHC Education Ltd has not undertaken any projects during the year and is dormant.

The results of the trading subsidiaries are shown in Note 28 and are regarded as satisfactory.

GOING CONCERN

Funding agreements are in place with the DfE in respect of all of the academies managed by the Trust. This funding is agreed annually in advance for each school. The Directors consider that these arrangements deliver sufficient length of notice to provide reasonable surety of continuing income support from central government. The Trust uses the predictability of the annual grant to prepare financial forecasts. Based upon pupils on roll in October 2021 the Trust has produced revenue forecasts to 31 August 2023 to ensure a period of at least 12 months from the date of sign off is considered for going concern purposes. Longer term forecasts are also produced to support a longer term strategic plan through to 2026. The financial forecasts to 31 August 2023 give assurance that these accounts should be prepared on a going concern basis.

Further, the Directors are of the view that the net liability on the restricted reserve resulting from actuarially computed deficits on the Local Government Pension Scheme ("LGPS") and on the London Pensions Fund

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Authority Scheme ("LPFA") will not crystallise within the foreseeable future. Changes to the employee and employer pension contribution rates and variations in the assumptions underlying the computation of pension liabilities may arise over time so as to offset the deficits arising on the schemes, but the funding agreements in place with the Department of Education provide for any deficit to be met by government in the event that the government terminates its funding agreement. Accordingly, the Directors believe that it is appropriate to prepare the accounts on a going concern basis.

PROMOTING THE SUCCESS OF THE COMPANY

The Directors of the Company have established a formal structure to delegate responsibility for the operation of the Trust to the Chief Executive Officer, together with school Principals and the Central Services Directors. Other financial and operational controls report actions, gain additional consents and report performance to specific committees and Local Governing Bodies. The Board of Directors review the most recent minutes of committee meetings and Local Governing Body meetings. Mechanisms exist to feedback the outcomes of Board decisions to the Chairs of the relevant committees and governing bodies.

The Company is committed to high standards of conduct and transparency in its business dealings. Annually, the committees and governing bodies complete and report upon their own performance to the Board and their membership is reviewed and revised as appropriate. At the start of each meeting Board and Committee, Members are reminded of the need to declare any conflict under the approved Code of Conduct and each year formal written declarations of business interest are provided to the Clerk to the Board.

FINANCIAL REVIEW

Unrestricted and restricted general revenue funds recorded a surplus of £837k after charging additional non-cash pension costs of £1,332k through the income and expenditure account. From this surplus £1,317k was transferred to the capital account to meet other capital spending. Revenue reserves have increased by £852k in the year.

The impact of COVID-19 has again had a temporary distorting effect on the finances of the Trust in the last 12 months. Schools have been in receipt of a number of supplementary grants to ameliorate the extra burdens and provide resources for pupil catch up activities.

Included in note 3	£
COVID-19 Catch up Funding received	<u>386,200</u>
Corona virus job retention scheme claims	<u>17,426</u>
Included in Other DfE/ESFA - COVID-19 grants:	
Mass testing grants	144,660
Summer school grants	71,117
National tutoring programme grants	23,591
Meal voucher, packed lunch and cleaning reimbursement	<u>21,262</u>
	260,631
Total additional income	<u>664,257</u>

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The DfE reintroduced the national voucher scheme to support eligible families with school meal vouchers when the schools closed temporarily to all but vulnerable children and children of key workers. The catering cost, paid by the schools to outsourced contractors, reduced significantly. Lewisham and Southwark local authorities asked schools to purchase and distribute further free school meal vouchers during school holidays, for which the schools' received full reimbursement, for a total of £154,816.

There was less demand for temporary agency staff during the periods when some of our schools were only open to key worker and vulnerable pupils. Some intended permanent recruitment was deferred. Overall, the cost for staff was 1.5% below our expected expenditure.

Where possible the schools used the net operational savings to improve the infrastructure of the schools. The Trust applied approximately £200k of expenditure above original budget to refurbishments particularly at Hatcham College and Crayford Academy and utilising accumulated Devolved Formula Capital (DFC) grants.

The Trust qualifies for School Condition Allocation grant (SCA). This year the Trust received some £731k. It also benefitted from final Condition Improvement grants that had been retained pending completion of earlier projects and the release of deferred capital grants totalling £101k. The Trust has utilised the data from condition surveys completed on each of the school properties to identify and prioritise a programme of works for the next 10 years utilising this capital grant and further annual contributions of £140k transferred from central revenue reserves. The value of unspent SCA, £420k, is retained within fixed asset reserves to be spent in 2022.

The Trust held DFC reserves of £256k at the start of the year. DFC grants of £119k were received in the year and £63k was transferred from General Annual Grant. The schools directed expenditure to a range of projects including refurbishing a sports hall floor, re-equipping and refurbishing science laboratories and new outdoor canopies. The closing balance of DFC income of £94k is retained in fixed asset reserves to be spent in 2022.

Other capital grants received of £551k were attributable to the reimbursement of expenditure directly related to fixtures, fittings and equipment purchased by the Trust for Borough Academy, for which the DfE provided the funding.

The Trust schools received 990 donated laptops and tablets from the DfE to support pupils who were engaging in online lessons from home. This equipment supplemented the purchases of 400 devices made with the Trust's own financial resources. The Trust has estimated the value of these donated assets at £223k and will depreciate them in accordance with the Trust policy.

In addition, Hatcham College was the beneficiary of the Priority Schools Building Programme 2 (PSB2) capital programme whereby the DfE completed a refurbishment and extension to the Goddard building on the Pepys campus. The building works completed in the summer term and the temporary classrooms, that had been made available, were removed prior to 1 September when the new facilities became operational. The Principal Contractor has advised that the value of the works was £3,480k, which has been included in the value of donated assets for the year. No depreciation has been charged given the facilities were only utilised from the start of the current academic year.

The deficit on the two local government defined benefit pension schemes operated by the Trust has increased. However, following the latest triennial valuation cash contributions to the schemes, in respect of past liability top up payments and employer contributions expressed as a percentage of gross pay, have remained unchanged.

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RESERVES POLICY

The Trust's Reserves Policy is to use all available uncommitted reserves as dynamic and flexible resources to help the Trust meet its current and future needs and offer financial resources to address its identified risks. The use of reserves needs to be flexible in order to manage the risks to which the Trust is exposed and dynamic to support the future plans of the Trust and its academies. Each school is expected to contribute a minimum of 2% of its annual operating budget to reserves and may be able to draw down from the Trust's reserves where there are timing differences on the receipt of grants and payment of expenditure or to help with opportunities and risks, including those arising unexpectedly.

The target level of uncommitted unrestricted and restricted general revenue reserves, excluding the pension scheme and fixed asset reserve, for the Trust is set at 10.5% of the General Annual Grant budgeted for the following year. This equates to approximately 150% of gross monthly payroll for all Trust employees. At the end of August 2021, these reserves amount to 12.2% (11.6% excluding carried forward unspent COVID 19 recovery funding) of recurring GAG funding for 2021-22. The Trust anticipates further investments, in the current year, will draw down from these reserves.

INVESTMENT POLICY AND OBJECTIVES

The Trust has a low appetite for financial risk. All surplus funds are invested in cash deposits at market rates with creditworthy institutions. The Finance Director is responsible for arranging short-term deposits of the Trust's funds having due regard to policy parameters set out by the Finance Committee. Currently, permitted investments are deposits of up to 12 months' term with approved banks and building societies.

COMMUNICATION WITH EMPLOYEES

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

PRINCIPAL FINANCIAL RISKS AND UNCERTAINTIES

The Directors acknowledge their overall responsibility for ensuring that the Trust has an effective and appropriate system of financial, operational and management control. The control processes are formally reviewed annually by the Audit & Risk Committee and the results of the risk review process are reported throughout the year to the Trust Board. Significant financial risks and uncertainties arising throughout the year are reported to the Audit & Risk Committee and subsequently the Trust Board.

The Audit & Risk Committee is formed of two Directors and one independent co-opted member with extensive governance experience and/or professional accounting qualifications. It has oversight of both the internal and external audit processes and is responsible for oversight of the Trust's risk management policies and procedures. Each of the Academies' senior leadership teams draws up its own risk register, including an action plan for the mitigation of those risks so identified. The risks assessed as having potentially the greatest detrimental impact on the Trust are a regular item on the agenda of the school leadership team meetings.

Each year the Audit & Risk Committee reviews the need to examine particular systems and controls and commissions appropriate internal audits. Recommendations for improvements to controls and processes, and the steps taken by management to implement them, are reviewed by the Committee.

Haberdashers' Aske's Federation Trust

DIRECTORS' REPORT

31 August 2021

The principal risks identified by the Trust and the measures taken to mitigate them are as follows:

1. The risk that the Trust fails to attract sufficient capital funding from government to maintain the ageing Hatcham estate to the required standard. In mitigation, the Trust has in the past successfully bid for PSBP2 and Condition Improvement Fund (CIF) funding. The Trust remains entitled to School Condition Allocation grants and is in a position to direct those funds to the most pressing projects as identified by the school condition surveys.
2. The risk that the internal financial control systems are compromised in such a way that results in a financial loss to the Trust. In mitigation the controls are reviewed on an annual basis, internal and external audits are undertaken, clearly written procedures ensure that there is no single point of failure, new staff recruitment, induction and training is effective, segregation of duties are maintained and there is little risk that management override would not be challenged.
3. The risk that there is a breach of our IT network resulting in loss, damage or corruption to data or software that inhibits the effective operation of schools within the Trust. In mitigation, firewalls and user access controls are operational, monitored and tested. The Trust maintains a separate cyber insurance policy to support the cost of reinstatement and rectification.
4. The risk that a failure in the safeguarding control system results in harm to a pupil. In mitigation, the Trust regularly carries out external audits and the effectiveness of safeguarding is reviewed frequently at Local Governing Board and at Trust Board level. Appropriate insurances are maintained through the risk protection arrangement (RPA).
5. The risk that a security breach occurs at a school which results in severe danger to persons and/or loss or damage to property. In mitigation, all sites have a range of robust security systems including entry intercoms. In addition, emergency plans for dealing with critical incidents have been tested and are being refined. Appropriate insurance is maintained through the RPA.
6. The risk that the funding for schools is reduced in real terms over the next 3-5 years which, combined with the challenge of meeting the strategic objectives, draws disproportionately upon cumulative reserves and affects the financial viability of the Trust. In mitigation, the Finance Committee and Audit and Risk Committee each receive regular financial updates and challenge the executive over proposed spending plans.

FUNDRAISING

The Trust held small fundraising events during the year such as tombola and bake sales. COVID-19 reduced the number of events that were able to be held. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaint or issues have arisen as a result of the fundraising events.

Haberdashers' Aske's Federation Trust

DIRECTORS' REPORT

31 August 2021

STREAMLINED ENERGY AND CARBON REPORTING

This is the second year that the Trust is obliged to publish this data so there is now comparative information. The report covers the academic year to 31 August 2021 and the prior year.

STREAMLINED ENERGY AND CARBON REPORTING		
UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	2020/21	2019/20
Energy consumption used to calculate emissions (kWh)	6,940,474	6,520,681
Energy consumption break down (kWh):		
• gas	3,865,567	3,893,870
• electricity	3,060,502	2,607,229
• transport fuel	14,405	19,581
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	708.02	663.93
Owned transport – mini-buses	2.36	3.51
Total Scope 1	710.37	667.44
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	649.84	607.85
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	1.13	1.12
Total gross emissions in metric tonnes CO2e	1361.34	1276.41
Intensity ratio Tonnes CO2e per pupil	0.24	0.23

Quantification and reporting methodologies

The Trust followed the 2019 HM Government Environmental Reporting Guidelines. It has also used the GHG Reporting Protocol – Corporate Standard and used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

During the year, schools have been required to improve the ventilation of classrooms. Data in the current year is likely to be impacted by the requirement to maintain windows and doors open throughout term time, requiring additional heating capacity to maintain a suitable ambient temperature. The Trust completed a pilot installation of LED lighting at Hatcham Temple Grove. This school is being used as a practical test to understand the reduced

Haberdashers' Aske's Federation Trust

DIRECTORS' REPORT

31 August 2021

energy consumption from that action. The results will support a bid to the decarbonisation fund for grants to extend that activity throughout the Trust.

PLANS FOR FUTURE PERIODS

The Trust's aim of providing approximately 50% of the intake into each secondary school from its own primary phases has been achieved at Crayford and Hatcham. In due course, the Trust would consider securing, in the event of suitable opportunities arising, an additional primary school, to secure 50% of Knights and Borough Academies' secondary intake from its own primary feeders.

Crayford and Hatcham are each a cluster of three schools (a secondary and two feeder primaries) and Knights is a cluster of two schools (a secondary and a feeder primary), Borough remains a stand-alone secondary school at this time.

The Trust's plans for the future are founded on a clear understanding that its structure adds value as a result first of its size and secondly the fact that all of its schools are geographically close. These factors enable the close collaborative working that takes place between the schools. Any future expansion of the Trust by the addition of new schools is likely to build on the benefits that accrue from the Trust's closely integrated structure and collaborative approach. Such growth would therefore be within a manageable travelling distance of existing schools. In September 2019, the Trust opened a new secondary school in the north of the London Borough of Southwark. There are now 3 year groups being taught at Borough Academy and the transfer of all pupils to a single site has been accomplished.

The Trust Executive and the Directors are committed to the principle of all-through education and to the power of delivering it through a multi academy trust. The growth in the number of 6th form pupils in all schools has been marked and particularly so at Knights Academy which was the beneficiary of investment in an earlier year. There is currently further consideration of future investment at Crayford Academy to assist delivery of a sustainably higher cohort of pupils.

The Trust has now established Local Governing Bodies (LGB) for each school to enable greater focus on the achievement and progress of our pupils. These new LGB's are in their early stages of constitution and will be supporting their respective Principal during the current academic year.

Haberdashers' Aske's Federation Trust
DIRECTORS' REPORT
31 August 2021

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.

Following a shortlisting and then tender process, Buzzacott LLP have replaced Crowe U.K. LLP and undertaken the annual external audit of the Trust's accounts for the year ended 31 August 2021 and have indicated their willingness to continue this role.

The Directors' report, incorporating a strategic report, was approved by order of the board of Directors on 13 December 2021 and signed on the Board's behalf by:

Nicholas Scarles

Nicholas Scarles
Chairman
13 December 2021

Haberdashers' Aske's Federation Trust

GOVERNANCE STATEMENT

31 August 2021

SCOPE OF RESPONSIBILITY

As Directors, we acknowledge that 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.

Directors have paid regard to the DfE's Governance Handbook and competency framework for governance. The guidance is introduced to Directors and Local Governors through the induction training sessions and material.

The governing body has delegated the day-to-day responsibility to the Chief Executive Officer ("CEO"), as Accounting Officer, for ensuring that financial controls conform to the requirements of both propriety and good financial management and are in accordance with the requirements and the responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The Trust's CEO is also responsible for the reporting to the governing body of any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

MEMBER	Meetings attended	Out of a possible
Joanna Abeyie	1	1
Ade Adetosoye	2	2
Anthony Cann	7	7
John Fernau	6	7
Christopher Hardie	6	7
Oliver Harrison	0	1
Nicholas Jenkins	5	6
Sue John	5	7
Simon Lough	7	7
William Macpherson	7	7
Rupert McNeil	4	4
Nicholas Scarles (<i>Chair</i>)	7	7
Jan Shadick	7	7
Sheridan Swallow	7	7
Nicola Trott	6	7

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 of the best means of fulfilling the governing body's responsibility of ensuring 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
John Fernau	3	4
Adam Glossop (<i>co-opted member</i>)	2	2
Vidur Gupta (<i>co-opted member</i>)	1	2
Christopher (Ludo) Hashemi (<i>co-opted member</i>)	4	4
Simon Lough	3	4
Nicholas Scarles (<i>Chair</i>)	4	4
Jan Shadick	4	4
Sheridan Swallow	4	4

Haberdashers' Aske's Federation Trust

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31 August 2021

The **Standards Committee** is a sub-committee of the main governing body. Its purpose is to monitor overall academic standards across the Trust, to support the local governing bodies and also to support Trust Board in holding the Local Governing Bodies to account, to take strategic decisions about cross-Trust curriculum and assessment matters.

MEMBER	Meetings attended	Out of a possible
Cassandra Buchanan (<i>co-opted member</i>)	2	3
Nicholas Jenkins	3	3
Sue John	2	3
Oliver Harrison (<i>Chair</i>)	2	2
Jan Shadick	3	3
Nicola Trott	2	3

The **Audit & Risk Committee** is a sub-committee of the main governing body. Its purpose is to oversee the effectiveness of the Trust's risk management, financial accounting, reporting, systems and policies. Attendance at meetings in the year was as follows:

MEMBER	Meetings attended	Out of a possible
Simon Lough	3	3
John Shuffrey (<i>co-opted member</i>)	3	3
Sheridan Swallow (<i>Chair</i>)	3	3

The **People Committee** is a sub-committee of the main governing body. Its purpose is to advise and report to the Trust Board on certain matters relating to appointments, remuneration, terms and conditions, training, development, including the Habs Professional Institute, retention, diversity, inclusion and social mobility of the Trust staff and governors. Attendance at meetings in the year was as follows:

MEMBER	Meetings attended	Out of a possible
Rupert McNeil (<i>Chair</i>)	2	2
Nicholas Jenkins	3	3
Sue John	3	3
Nicholas Scarles	3	3

VALUE FOR MONEY

I accept that as Accounting Officer of Haberdashers' Aske's Federation Trust, I am responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the ESFA and I understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

Haberdashers' Aske's Federation Trust

GOVERNANCE STATEMENT

31 August 2021

Given our expectation that, over the coming years, we must continue to try to achieve more with less money, our focus on value for money remains as sharp as ever. We have made some important advances in a range of areas in our stewardship of the resources entrusted to us, particularly in the following areas:

- We assess the staffing structure suggested at each school and challenge the proposals against template models for both primary and secondary including, the use of cluster support services where appropriate.
- We have re-tendered the cleaning contract for all schools and out-sourced new arrangements at Hatcham College and Hatcham Temple Grove Free School.
- Our catering function remains outsourced and our provider is pursuing cost saving measures that reduce the overall financial support required from the Trust.
- Our procurement procedures have been significantly tightened over the last few years and remain subject to regular review. Frameworks are now used more often for purchases that impact all schools in the Trust.

As a consequence of COVID -19, more resources have been directed to IT, both to enhance our capability of remote teaching and to provide the hardware for pupils to access online learning.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage the avoidance, mitigation or transfer of risk to a level at which, were the risk to become an event, its impact would not have a materially detrimental impact on the operations or the finances of the Trust. By their very nature, risk management systems cannot eliminate all risks (some of which at the date of the adoption of the policy must be unknowable) of failure to achieve policies, aims and objectives; therefore, they can only provide reasonable, but not absolute assurance of effectiveness. The system of internal control is based on a continuously evolving process which is designed to identify and prioritise those risks which have been assessed as potential impediments to the achievement of Trust policies, aims and objectives. The system is not purely mechanistic nor programme driven. Due weight is given to the probability of the occurrence of an event, the consequences for the Trust of the happening of that event and the financial and other costs to the Trust of mitigating that risk at various levels of confidence, having in mind that, in the spending of public money, the potential benefit must always equal or outweigh the cost. The system of internal control has been in place in Haberdashers' Aske's Trust for the year ended 31 August 2021 and up to, and including, the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Trust has agreed a Risk Management Policy, under which each of the Academies draws up its own risk register, including an action plan for the mitigation of its top risks. The Trust Executive draws up a similar register of top level risks, which is reviewed by the Audit & Risk Committee and Board each year.

The governing body is of the view that there is a formal, continuing process for the identification, evaluation and management of the Trust's significant risks, that this process has been in place and working effectively throughout the year ending 31 August 2021 and to the date of this report, and that this process is regularly reviewed and monitored.

Haberdashers' Aske's Federation Trust

GOVERNANCE STATEMENT

31 August 2021

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget reviewed and agreed by the governing body and periodic financial reports which are scrutinised by the Finance Committee and examined and endorsed by the Trust Board;
- Scrutiny of the high level three year forecasts including the assumptions contained therein;
- 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 against which 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;
- Dual signatories on all bank transactions.

In compliance with the Academies Financial Handbook 2020, the Trust's Audit & Risk Committee has oversight of both internal and external audit and is responsible for the supervision of its risk management policy and procedures. The Board latterly adopted a revised risk management methodology, a risk map 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, commitments are made or undertakings are commenced without due consideration of the risks that may arise from those projects, commitments or undertakings.
- The Audit & Risk Committee considers that risk identification, management and mitigation is working satisfactorily at the academies and at their boards.

The Audit and Risk Committee agree a programme of work annually with the internal auditors. In 2020-21 two audit areas were tested – Key financial controls and Capital expenditure (including Procurement). Both reports concluded positively.

FINANCIAL GOVERNANCE AND OVERSIGHT

The scheme of delegation is reviewed annually in order to ensure tight controls. In addition, the finance policies and procedures are properly monitored and continue to operate well.

The Trust Executive Team reviews the Trust's monthly management accounts, balance sheet and cash flow in order to monitor performance against budget and to ensure value for money.

Both our Audit & Risk and our Finance committees have members that hold professional accountancy qualifications and, with a number of other governors having significant commercial experience, financial governance and oversight remains good.

Haberdashers' Aske's Federation Trust
GOVERNANCE STATEMENT
31 August 2021

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive Officer (CEO) is personally responsible to Parliament, and to the accounting officer of the Education and Skills Funding Agency, for the resources under his/her control. The CEO must be able to assure Parliament and the public of high standards of probity in the management of public funds. The CEO has the responsibility for reviewing the effectiveness of the system of internal control. During the year ending 31 August 2021 this 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 leaders within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer takes advice from the Audit & Risk Committee on the implications of the result of the review of the system of internal control and confirms that 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 13 December 2021 and signed on its behalf by:

Nicholas Scates

Nicholas Scates
Chairman

Jan Shadick

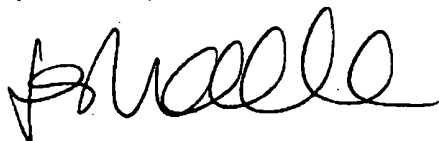
Jan Shadick
Accounting Officer

Haberdashers' Aske's Federation Trust
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
31 August 2021

As Accounting Officer, of the Haberdashers' Aske's Federation Trust, I have considered my responsibility to notify the Trust Board and the Education and Skills Funding Agency ("ESFA") of material irregularity, impropriety and non-compliance, with terms and conditions of all funding received by the Federation Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I, and the Trust Board, 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 2020.

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



Jan Shadick
Accounting Officer

13 December 2021

Haberdashers' Aske's Federation Trust

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 August 2021

The Directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice (FRS102)) and the Annual Accounts Requirements issued by the Department for Education.

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:

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

The Directors are responsible for keeping proper 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 which enable them to ensure that the financial statements comply with the Charities Act 2011, the Financial Reporting Standard applicable in the UK and in the Republic of Ireland (FRS102) and 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 that grants received from the ESFADfE 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 13 December 2021 and signed on its behalf by:

Nicholas Scarles

Nicholas Scarles
Chairman

Haberdashers' Aske's Federation Trust

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

31 August 2021

Opinion

We have audited the financial statements of Haberdashers' Aske's Federation Trust (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2021, and of the group's income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Haberdashers' Aske's Federation Trust

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

31 August 2021

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Haberdashers' Aske's Federation Trust

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

31 August 2021

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and the subsidiary company directors' meetings and papers provided to the trustees and directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

Haberdashers' Aske's Federation Trust

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

31 August 2021

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings and subsidiary company directors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 21 December 2021

Haberdashers' Aske's Federation Trust

INDEPENDENT REPORTING ACCOUNTANTS ASSURANCE REPORT ON REGULARITY TO THE TRUSTEES OF HABERDASHERS' ASKE'S FEDERATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

31 August 2021

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Haberdashers' Aske's Federation Trust during the period from 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

The accounting officer is responsible, under the requirements of Haberdashers' Aske's Federation Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Haberdashers' Aske's Federation Trust

INDEPENDENT REPORTING ACCOUNTANTS ASSURANCE REPORT ON REGULARITY TO THE
TRUSTEES OF HABERDASHERS' ASKE'S FEDERATION TRUST AND THE EDUCATION AND
SKILLS FUNDING AGENCY

31 August 2021

Approach (continued)

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:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 21 December 2021

Haberdashers' Aske's Federation Trust

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2021 (including income and expenditure account)

	Notes	Unrestricted Funds £'000	Restricted Funds: General £'000	Fixed asset £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and capital grants	2	-	-	5,207	5,207	1,183
Charitable activities:						
-Funding for educational operations	3	-	38,852	-	38,852	34,960
-Teaching school	3	-	108	-	108	89
-Voluntary income	4	426	194	-	620	587
Other trading activities	5	43	-	-	43	106
Other income	6	723	-	-	723	570
Investments	7	10	-	-	10	34
Total income and endowments		1,202	39,154	5,207	45,563	37,529
Expenditure on:						
Charitable activities						
Educational operations	8 & 9	960	38,213	2,976	42,149	38,498
Teaching school		220	107	-	327	386
Other trading activities		19	-	-	19	33
Total expenditure	8 & 9	1,199	38,320	2,976	42,495	38,917
Net income/(expenditure)		3	834	2,231	3,068	(1,388)
Transfers between funds	17	-	(1,317)	1,317	-	1,036
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(3,442)	-	(3,442)	1,247
Net movement in funds		3	(3,925)	3,548	(374)	(141)
Reconciliation of funds						
Total funds brought forward		2,427	(8,424)	77,977	71,980	72,121
Total funds carried forward		2,430	(12,349)	81,525	71,606	71,980

The Statement of Financial Activities analyses all the income and capital resources and expenditure during the year and reconciles the movement 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 resource before actuarial gain was a surplus of £3,068k, (2020: deficit £1,388k). The result for the year for the Trust as an entity was a surplus of £3,044k (2020: deficit £1,461k). For the subsidiary HAHC Trading Ltd, there was a surplus in the year of £24k (2019: surplus £73k).

Haberdashers' Aske's Federation Trust
CONSOLIDATED AND CHARITY BALANCE SHEETS as at 31 August 2021
 Company registration number 2535091

	Notes	Group		Charity	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed assets					
Tangible assets	13	81,011	77,203	81,011	77,203
Current assets					
Debtors	14	2,024	1,573	2,049	1,548
Cash at bank and in hand		<u>9,002</u>	<u>7,717</u>	<u>8,950</u>	<u>7,670</u>
		11,026	9,290	10,999	9,218
Current liabilities					
Creditors: amounts falling due within one year	15	<u>(6,051)</u>	<u>(4,907)</u>	<u>(6,048)</u>	<u>(4,908)</u>
Net current assets		<u>4,975</u>	<u>4,383</u>	<u>4,951</u>	<u>4,312</u>
Total assets less current liabilities		85,986	81,586	85,962	81,515
Defined benefit pension liability	25	<u>(14,380)</u>	<u>(9,606)</u>	<u>(14,380)</u>	<u>(9,606)</u>
Total net assets		<u>71,606</u>	<u>71,980</u>	<u>71,582</u>	<u>71,909</u>
Funds of the Academy Trust					
Restricted funds					
-Fixed asset fund	17	81,525	77,977	81,525	77,977
-Restricted General fund					
- General annual grant		1,799	1,182	1,799	1,182
- Catch-up premium		232	-	232	-
-Pension reserve		<u>(14,380)</u>	<u>(9,606)</u>	<u>(14,380)</u>	<u>(9,606)</u>
Total restricted funds		<u>(12,349)</u>	<u>(8,424)</u>	<u>(12,349)</u>	<u>(8,424)</u>
Unrestricted income funds	17	<u>2,430</u>	<u>2,427</u>	<u>2,406</u>	<u>2,356</u>
Total charity funds		<u>71,606</u>	<u>71,980</u>	<u>71,582</u>	<u>71,909</u>

The financial statements on pages 34 to 63 were approved by the Board of Trustees on 13 December 2021 and signed on their behalf by:

Nicholas Scarles

Nicholas Scarles
Chairman

Haberdashers' Aske's Federation Trust
CONSOLIDATED CASHFLOW STATEMENT
For the year ended 31 August 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities	22		
Net cash generated in operating activities		2,852	1,629
Cash flows from investing activities	23		
Interest received		10	34
Capital grants received from DfE group		5,207	1,183
Purchase of tangible fixed assets		(6,784)	(1,862)
Net cash inflow (outflow)		(1,567)	(645)
Change in cash and cash equivalents in the reporting period	24	<u>1,285</u>	<u>984</u>
Cash and cash equivalents at 1 September 2020		<u>7,717</u>	<u>7,633</u>
Cash and cash equivalents at 31 August 2021		<u>9,002</u>	<u>7,717</u>

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

1 ACCOUNTING POLICIES

Statement of accounting policies: Basis of preparation

Going Concern

Funding agreements are in place with the Department for Education in respect of all of the academies managed by the Trust. This funding is agreed annually in advance for each school. The Directors consider that this is sufficient length of notice to provide reasonable surety of continuing income support from central government. The Trust uses the predictability of the annual grant to prepare financial forecasts covering a period of at least 12 months from the date of signing these accounts. Longer term forecasts are also produced to support a longer term strategic plan through to 2025. These forecasts give assurance that the accounts should be prepared on a going concern basis.

Further, the Directors are of the view that the net liability on the restricted reserve resulting from actuarially computed deficits on the Local Government Pension Scheme ("LGPS") and on the London Pensions Fund Authority Scheme ("LPFA") will not crystallise within the foreseeable future. Changes to the employee and employer pension contribution rates and variations in the assumptions underlying the computation of pension liabilities may arise over time so as to offset the deficits arising on the schemes. Accordingly, the Directors believe that it is appropriate to prepare the accounts on a going concern basis.

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

Format of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and in the Republic of Ireland (FRS102), Charities SORP (FRS102), the Companies Act 2006 and the Academies Financial Handbook. The financial statements reflect 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 alone, as permitted by section 408 of the Companies Act 2006.

Company status

The charity is a company limited by guarantee. The members of the company are indicated on page 3. In the event of the charity being wound up and there being an excess of liabilities over realisable assets, 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 into 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 Department for Education ("DfE") in the event of their termination.

Grant income

Grant income, both revenue and capital, from the Government is recognised on an entitlement basis and is accounted for 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 is recognised as restricted where a restriction exists on its deployment within the Trust. Donated facilities are recognised at their estimated revenue value to the Trust.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

The Trust makes estimates and assumptions concerning the future. The predicted future, resulting from the application of these accounting estimates and assumptions will, by definition, seldom correspond precisely and in all material detail with events as they unfold as the future becomes the present. The estimates and assumptions that carry a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions which can, and do, change over time. The assumptions used in determining the net cost for pensions include the discount rate. Any changes to these assumptions, which are disclosed in Note 25, will impact the carrying amount of the pension liability. Further, a roll forward approach which projects results, taking as a base the full actuarial valuation performed as at 31 March 2019, has been used by the actuary in valuing the pension liability as at 31 August 2021. Any differences between the valuations derived from the roll forward approach and a full actuarial valuation would have an impact on the carrying amount of the pension liability.

Financial instruments

The Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade, other creditors and accruals. Trade and other debtors are recognised when amounts are due to the organisation. Creditors and provisions are recognised when the company has a legal obligation to transfer funds as a result of past events that can be readily measured or estimated and will probably result in a transfer of funds.

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 and the Trust's charitable activities. Items of expenditure, which involve more than one cost category, and which cannot be directly allocated, have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. These include:

<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).

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. In accordance with the requirements of FRS 102 and Charities SORP 2019, governance costs form part of support costs. These represent those costs attributable to the Trust's compliance with its statutory and regulatory obligations.

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 are depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward to the Balance Sheet.

Individual items of equipment costing less than £5,000 are written off in the year of acquisition. However an IT asset refresh comprising lower cost items but which in aggregate costs more than £5,000 and other equipment over £5,000 is capitalised. All refurbishment costs are written off in the year incurred unless they enhance the value of the building, in which case they are capitalised. Fixed assets that become totally impaired are written off.

Depreciation

The threshold for capitalisation of fixed assets is £5,000. All assets except freehold land and assets under construction are depreciated the month after the date of purchase. Tangible fixed assets are depreciated over their estimated useful lives on a straight line basis at the following rates:

Freehold and long leasehold buildings	2%
IT hardware and Software	25%
Fixtures and fittings	20%
Office and Trust equipment	20%
Motor Vehicles	33%

Freehold land is not depreciated.

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 Corporation Tax Act 2010 and no tax liability has arisen in respect of the period. The cost of irrecoverable Value Added Tax incurred by the Trust is included in the Statement of Financial Activities.

Agency Arrangements

The Trust acts as an agent in distributing bursary funds for students aged 16-19 from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 21.

Pension costs

Full-time and part-time teaching staff who are 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 providing 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 102 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 entitled to remain as members of the London Pension Fund Authority (LPFA). There are no active members of the LPFA employed by the Trust. The LPFA is a defined benefit scheme, and the requirements of Financial Reporting Standard 102 have been followed.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted	Restricted	Restricted	Total	Total
	funds	funds	Fixed Asset	2021	2020
	£'000	£'000	£'000	£'000	£'000
Devolved Formula Capital	-	-	119	119	111
ESFA Capital grant incl. SCA	-	-	775	775	674
Donated fixed assets	-	-	3,705	3,705	-
Other Capital grants	-	-	608	608	398
	<u>-</u>	<u>-</u>	<u>5,207</u>	<u>5,207</u>	<u>1,183</u>

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

3. FUNDING FOR THE ACADEMIES' EDUCATIONAL OPERATIONS

	Unrestricted	Restricted	Restricted	Total	Total
	funds	funds	Fixed Asset	2021	2020
	£'000	£'000	funds	£'000	£'000
			£'000		
DfE / ESFA grants					
General annual grant	-	33,109	-	33,109	29,945
Start-up and development grant	-	-	-	-	230
Pupil premium	-	1,818	-	1,818	1,663
Primary Sports grant	-	92	-	92	65
Yr 7 Numeracy & Literacy grant	-	-	-	-	49
Pay & Pension grant	-	1,537	-	1,537	1,474
Universal Infant Free School Meal (UIFSM)	-	316	-	316	250
Other DfE/ESFA - rates	-	292	-	292	249
Local Authority grants					
Special Education Needs grant	-	698	-	698	656
Early Years funding	-	160	-	160	288
Other Government grants					
Other Government grants	-	228	-	228	43
NCTL grant	-	-	-	-	4
Exceptional G'ment funding					
Catch-up premium	-	232	-	232	64
Job retention scheme	-	17	-	17	-
Other DfE/ESFA - Covid-19 Funding	-	353	-	353	-
Total Grant Income	-	38,852	-	38,852	34,960
Teaching School income	-	108	-	108	89
Total Funding	-	38,960	-	38,960	35,049

The Coronavirus support grant was in respect of catch-up premium, job retention and summer school and national teaching programme grants.

Haberdashers' Aske's Federation Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

4. VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	Restricted Fixed Asset funds £'000	Total 2021 £'000	Total 2020 £'000
Haberdashers' Company & Charities	375	130	-	505	516
Temple Grove Schools Trust	47	-	-	47	42
Other Charitable grant income	4	64	-	68	29
	<u>426</u>	<u>194</u>	<u>-</u>	<u>620</u>	<u>587</u>

5. OTHER TRADING

	Unrestricted funds £'000	Restricted funds £'000	Restricted Fixed Asset funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	<u>43</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>108</u>

6. OTHER INCOME

	Unrestricted funds £'000	Restricted funds £'000	Restricted Fixed Asset funds £'000	Total 2021 £'000	Total 2020 £'000
Catering income paid lunches	312	-	-	312	127
Sundry income	<u>411</u>	<u>-</u>	<u>-</u>	<u>411</u>	<u>443</u>
	<u>723</u>	<u>-</u>	<u>-</u>	<u>723</u>	<u>570</u>

7. INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	Restricted Fixed Asset funds £'000	Total 2021 £'000	Total 2020 £'000
Short term deposits	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>34</u>

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

8. EXPENDITURE	Staff Costs £'000	Premises & equipment £'000	Other Costs £'000	Total 2021 £'000	Total 2020 £'000
Academy's educational operations					
- Direct costs	26,261	5,126	3,650	35,037	31,978
- Allocated support costs	5,645	966	501	7,112	6,520
Total expenditure	31,906	6,092	4,151	42,149	38,498
Teaching school	320	-	7	327	386
Educational operations	32,226	6,092	4,158	42,476	38,884
Trading activities	18	-	1	19	33
	32,244	6,092	4,159	42,495	38,917

Net income / (expenditure) for the year includes:

	Total 2021 £'000	Total 2020 £'000
Fees payable Statutory Auditor		
- Annual audit of accounts	32	34
- Other non audit services	1	1
Fees payable for Internal Audit	6	15
Operating lease rentals	13	13
Settlement	46	12
Compensation payment	10	4
Depreciation	2,976	2,689

	Teaching & educational support staff costs £'000	Other support staff costs £'000	Direct costs educational supplies £'000	Other costs excluding dep'n £'000	Total costs 2021 £'000
Expenditure by academy					
Borough Academy	1,604	345	177	537	2,663
Crayford Academy	4,685	519	500	1,094	6,797
Crayford Temple Grove	935	157	83	260	1,435
Hatcham College	6,259	993	541	2,008	9,801
Hatcham Temple Grove	1,708	321	113	419	2,560
Hatcham T G Free School	1,601	322	113	360	2,396
Knights Academy	5,616	664	585	1,482	8,348
Knights Temple Grove	1,128	161	218	342	1,849
Slade Green Temple Grove	1,059	160	142	347	1,708
Trust Central Services	-	3,032	0	(1,416)	1,617
Total expenditure excl. dep'n	24,594	6,674	2,472	5,433	39,173
Teaching school	48	475	8	(204)	327
Trading activities	-	18	-	1	19
Total expenditure	24,643	7,167	2,480	5,230	39,519

Non-cash pension charge of £1.2m (2020:1.4m), inclusive of a net pension charge of £135k (2020:154k) are in the Trust Central Services other support staff costs. The total costs for the Central Services of £1,617k and the Teaching School of £327k also reflects the internal income received from the schools and federation to central costs.

Haberdashers' Aske's Federation Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

9. CHARITABLE ACTIVITIES - EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Direct costs - educational operations	607	34,750	35,357	32,298
Support costs - educational operations	573	6,546	7,119	6,586
	1,180	41,296	42,476	38,884

Charitable activities analysis	Total 2021 £'000	Total 2020 £'000
Direct costs		
Teaching and educational support staff costs	25,895	23,515
Recruitment and health care insurance	231	308
Staff development	135	108
Depreciation	2,506	2,275
Educational supplies	1,312	1,269
Examination fees	454	384
Settlement payments	46	12
Other direct costs	4,458	4,106
Teaching school	320	321
	35,357	32,298
Allocated support costs		
Support staff costs (note 8)	5,510	4,954
Recruitment and health care insurance	44	56
Depreciation	472	414
Pupil recruitment and support	20	18
Maintenance of premises and equipment	163	185
	120	74
The Trust's share of the net assets in the LGPS scheme	55	44
Heat and light	116	86
Insurance	20	19
Security	19	17
Catering	30	15
Technology costs	111	91
Bank interest and charges	12	14
Governance costs (see below)	52	51
LGPS net finance charges	135	154
Other costs	233	329
Teaching school	7	65
	7,119	6,586
Total educational and teaching school costs	42,476	38,884

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

9. CHARITABLE ACTIVITIES - EDUCATIONAL OPERATIONS (Continued)	Total	Total
	2021	2020
	£'000	£'000
Governance costs (incl in support costs)		
Fees for external audit of financial statements	32	34
Internal audit fees	6	16
Trustee and Local Governing Body meetings inc. clerking	14	1
Governance Costs	52	51

10. STAFF COSTS

	2021	2020
	£'000	£'000
a. Remuneration		
Wages and salaries	22,190	20,224
Apprenticeship levy	88	86
Social security costs	2,192	1,939
Defined benefit pension scheme costs	5,854	5,489
	30,324	27,738
Supply staff costs	1,331	1,131
Restructuring and severance	190	72
	31,845	28,941
Staff restructuring costs comprise;		
Redundancy payments	120	4
Severance payments	46	41
Other restructuring costs	30	27

b. Non statutory/non contractual staff severance payments

There were four non statutory/non-contractual payments totalling £56,018 made in the restructuring costs (2020: £11,500). The payments were: £30,000, £3,500, £2,518 and £20,000.

c. Staff numbers

	Gross employee numbers		Full time equivalent	
	2021	2020	2021	2020
	Number	Number	Number	Number
Teachers	313	344	260	266
Administration and support	305	381	202	212
Management	68	59	63	57
Total	686	784	525	535

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

10. STAFF COSTS (Continued)

d. Key Management Personnel

The Trust considers the members of the Federation Executive Team, identified as such on page 5 to these accounts, to be the Key Management Personnel. Total remuneration and benefits (including employer national insurance and pension scheme contributions) accruing to those individuals in respect of the year ended 31 August 2021 amounted to £1,694,224 (2020: £1,355,277).

e. Higher paid staff

Employee numbers where remuneration & benefits (excluding pension costs) exceed £60,000

	2021 Number	2020 Number
£60,001 - £70,000	23	22
£70,001 - £80,000	13	9
£80,001 - £90,000	4	5
£90,001 - £100,000	2	-
£100,001 - £110,000	2	2
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	1
£160,000 - £170,000	1	1

The employer pension contributions for these members of staff total £820,453 (2020: £680,394).

11. RELATED PARTY TRANSACTIONS - Trustees' remuneration and expenses

No Trustees other than the CEO, received any remuneration arising out of, or in connection with, the exercise of his or her duties as a trustee of the Trust (2019: £ Nil). The Governors of the academies did not receive any remuneration for their services as governors (2019: £ Nil). Both Trustees and Governors are entitled to receive reimbursement of their reasonable out of pocket expenses for travelling incurred exclusively in the performance of their duties. In 2020, none of the Trustees made any claim for such expenses to be reimbursed (2019: £ Nil).

The Chief Executive Officer, who is an employee of the Federation and by virtue of that role, an ex-officio Trustee of the Company, received remuneration and benefits in kind in the range £160,001 - £170,000 (2019: £160,001 - £170,000) together with employer pension contributions in the range £30,001 - £40,000 (2019: £20,001 - £30,000).

12. TRUSTEES' & OFFICERS' INSURANCE

The Trust has chosen to join the Risk Protection Arrangement (RPA) through the Department for Education. This scheme protects Trustees and Officers from claims arising from negligent acts, errors and omissions occurring whilst on academy business and provides cover up to £10,000,000. It is not possible to quantify the Trustee and Officer component of cost from the overall amount paid to be a member of the RPA scheme.

Haberdashers' Aske's Federation Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

13. TANGIBLE FIXED ASSETS

Group & Charity	Freehold & Leasehold Land & Buildings £'000	Fixtures & Fittings £'000	Plant Machinery & Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 September 2020	98,871	1,485	1,527	2,539	50	104,472
Additions	4,733	432	685	954	-	6,784
At 31 August 2021	103,604	1,917	2,192	3,493	50	111,256
Depreciation						
At 1 September 2020	24,136	998	1,000	1,091	44	27,269
Charge for the year	1,988	141	131	710	6	2,976
At 31 August 2021	26,124	1,139	1,131	1,801	50	30,245
Net book value						
At 31 August 2021	77,480	778	1,061	1,692	-	81,011
At 31 August 2020	74,735	487	527	1,448	6	77,203

The cost of freehold land and buildings included above is £542,000, and which has a net book value at 31 August 2021 of £389,360 (2020: £400,201)

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

14. DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	198	218	182	163
Other debtors	437	136	437	136
Prepayments and accrued income	1,389	1,219	1,385	1,219
Amounts owed from subsidiary companies	-	-	45	30
	<u>2,024</u>	<u>1,573</u>	<u>2,049</u>	<u>1,548</u>

15. CREDITORS (Amounts falling due within one year)

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	1,296	669	1,296	669
Other taxation and social security	595	513	595	513
Other creditors	535	483	534	482
Accruals	2,496	2,148	2,494	2,148
Deferred income (note 16)	<u>1,129</u>	<u>1,094</u>	<u>1,129</u>	<u>1,094</u>
	<u>6,051</u>	<u>4,907</u>	<u>6,048</u>	<u>4,906</u>

16. DEFERRED INCOME

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Deferred income at 1 September	1,094	761	1,094	761
Released from previous year	(753)	(641)	(753)	(641)
Amounts deferred in current year	<u>788</u>	<u>974</u>	<u>788</u>	<u>974</u>
Deferred income at 31 August	<u>1,129</u>	<u>1,094</u>	<u>1,129</u>	<u>1,094</u>

The deferred income relates to ESFA, Local Authority, Voluntary grants and Trip income received in advance.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

17. STATEMENT OF FUNDS

	Balance at 1 September 2020 £'000	Incoming Resources 2021 £'000	Resources expended 2021 £'000	Gains losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General annual grant	1,182	32,353	(30,262)	(1,474)	1,799
UIFSM	-	316	(316)	-	-
Pupil Premium	-	1,818	(1,818)	-	-
Catch-up premium	-	386	(154)	-	232
Job retention scheme	-	17	(17)	-	-
Other DfE/ESFA - Covid-19	-	353	(353)	-	-
Other grants	-	3,609	(3,609)	-	-
Voluntary Income	-	194	(194)	-	-
Teaching School	-	108	(265)	157	-
Funds excluding pensions	1,182	39,154	(36,988)	(1,317)	2,031
Pension reserve	(9,606)	-	(1,332)	(3,442)	(14,380)
Restricted general funds	(8,424)	39,154	(38,320)	(4,759)	(12,349)
Restricted fixed asset funds					
DfE / ESFA capital grants	774	1,502	-	(1,762)	514
Fixed assets	77,203	3,705	(2,976)	3,079	81,011
	77,977	5,207	(2,976)	1,317	81,525
Total restricted funds	69,553	44,361	(41,296)	(3,442)	69,176
Unrestricted funds					
General funds	2,427	1,202	(1,199)	-	2,430
Total funds	71,980	45,563	(42,495)	(3,442)	71,606

	2021 Income £'000	2021 Capital £'000	2021 Total £'000	2020 Total £'000
Total fund analysis by school				
Borough Academy		6	6	-
Crayford Academy		-	-	32
Crayford Temple Grove		3	3	8
Hatcham College		-	-	119
Hatcham Temple Grove		27	27	24
Hatcham Temple Grove Free School		42	42	33
Knights Academy		(2)	(2)	25
Knights Temple Grove		14	14	7
Slade Green Temple Grove		4	4	8
Central Reserves	4,461	420	4,881	4,127
Total excl. fixed assets and pension reserve	4,461	514	4,975	4,383

Total income fund held in central reserves	4,461	3,609
Total fixed asset fund including capital grant income	81,525	77,977
Pension reserve	(14,380)	(9,606)
Total funds	71,606	71,980⁴⁹

Haberdashers' Aske's Federation Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

17. STATEMENT OF FUNDS (continued)

2020 Comparative Note	Balance at 1 September 2019 £'000	Incoming Resources 2020 £'000	Resources expended 2020 £'000	Gains losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General annual grant	443	30,194	(28,442)	(1,013)	1,182
Other grants	-	4,766	(4,766)	-	-
Voluntary income	-	170	(170)	-	-
Teaching School	-	89	(336)	247	-
Funds excluding pensions	443	35,219	(33,714)	(766)	1,182
Pension reserve	(9,376)	-	(1,477)	1,247	(9,606)
Restricted general funds	(8,933)	35,219	(35,191)	481	(8,424)
Restricted fixed asset funds					
DfE / ESFA capital grants	417	1,183	-	(826)	774
Fixed assets	78,030	-	(2,689)	1,862	77,203
	78,447	1,183	(2,689)	1,036	77,977
Total restricted funds	69,514	36,402	(37,880)	1,517	69,553
Unrestricted funds					
General funds	2,607	1,127	(1,037)	(270)	2,427
Total funds	72,121	37,529	(38,917)	1,247	71,980

Purpose of funds

General annual grant represents the principal source of funds, derived from central government, to support the education activities of the Trust. Voluntary income represents non-contractual, non-governmental income which is received under conditions as to the purposes for which it may be spent. Pension scheme reserves are the actuarial valuation of the aggregate present value of the net defined benefit pension scheme liabilities of the Trust.

Where expenditure charged against a restricted fund would exhaust that fund and where there is no realistic foreseeable means of replenishing it from its usual source of funding, a transfer is made from the general reserve of an amount which will eliminate the shortfall.

Haberdashers' Aske's Federation Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

18. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted funds £'000	Restricted funds General £'000	Fixed asset £'000	Total 2021 £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	81,011	81,011
Current assets	2,430	8,082	514	11,026
Creditors falling due within one year	-	(6,051)	-	(6,051)
Defined benefit pension liability	-	(14,380)	-	(14,380)
	<u>2,430</u>	<u>(12,349)</u>	<u>81,525</u>	<u>71,606</u>

2020 Comparative Note

	Unrestricted funds £'000	Restricted funds General £'000	Fixed asset £'000	Total 2020 £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	77,203	77,203
Current assets	2,427	6,089	774	9,290
Creditors falling due within one year	-	(4,956)	-	(4,956)
Defined benefit pension liability	-	(9,606)	-	(9,606)
	<u>2,427</u>	<u>(8,473)</u>	<u>77,977</u>	<u>71,931</u>

19. COMMITMENTS UNDER OPERATING LEASES

At 31 August, the Federation's total commitment under operating leases for equipment was:

	2021 £'000	2020 £'000
Amounts due within one year	5	6
Amounts due between one and five years	19	-
Amount due after five years	<u>5</u>	<u>6</u>

20. CAPITAL COMMITMENTS

	2021 £'000	2020 £'000
Expenditure contracted for but not provided in the financial statements	<u>137</u>	<u>256</u>

Haberdashers' Aske's Federation Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

21. AGENCY ARRANGEMENTS

	2021	2020
	£'000	£'000
The Trust receives and distributes bursary funds to students as agent for the ESFA.		
Bursaries brought forward from prior years	13	
16 - 19 bursaries received from ESFA in the year	56	64
16 - 19 bursaries distributed in the year	(55)	(51)
Amount of unspent bursaries reported in creditors due within one year	<u>14</u>	<u>13</u>

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £56,015 (2020: £64,234), and disbursed £51,335 (2020: £54,948) from the fund. An amount of £14,039 is included in other creditors relating to undistributed funds that is repayable to ESFA.

22. RECONCILIATION OF NET INCOME TO NET INFLOW FROM OPERATING ACTIVITIES

	2021	2020
	£'000	£'000
Net movement in funds	(374)	(141)
Depreciation	2,976	2,689
Capital grants from the DfE group	(5,207)	(1,183)
Interest receivable	(10)	(34)
FRS 102 Pension costs less contributions payable	4,774	230
(Increase)/decrease in debtors	(451)	(511)
Increase/(decrease) in creditors	1,144	579
Net cash provided by operating activities	<u>2,852</u>	<u>1,629</u>

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2021	2020
	£'000	£'000
Interest received	10	34
Capital grants received from DfE group	5,207	1,183
Purchase of tangible fixed assets	(6,784)	(1,862)
Net cash outflow	<u>(1,567)</u>	<u>(645)</u>

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£'000	£'000
Cash in hand and at bank	2,919	2,644
Notice deposits (less than 95 days)	6,083	5,073
	<u>9,002</u>	<u>7,717</u>

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

25. PENSION COSTS & LIABILITIES

	2021	2020
	£'000	£'000
Other pension costs included in staff costs comprise:		
Defined benefit scheme - TPS Contributions	3,282	2,866
Defined benefit scheme LGPS/LPFA service costs	2,570	2,621
Defined contribution scheme	2	2
Total Pension costs	5,854	5,489

	2021	2020
	£'000	£'000
Defined benefit scheme liabilities comprise:		
Local Government Pension Scheme liability	14,050	9,190
London Pension Fund Authority liability	330	416
	14,380	9,606

The Trust participates in four pension schemes. These comprise: The Teachers' Pension Scheme (TPS); 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).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The employer's pension cost paid to TPS was £3,282k (2020: £2,866k) and at the end of the year a total of £233k (2020: £233k) was accrued in respect of annual contributions and owing to the scheme.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

25. Pension schemes (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The Haberdashers' Aske's Hatcham College Trust Retirement Benefit Scheme

The Trust has arranged a Money Purchase Scheme administered by Aviva. 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% since 1 January 2004.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £1,395k (2020: £1,405k), of which the employer's contributions totalled £1,077k (2020: £1,082k) and employees' contributions totalled £318k (2020: £323k). The agreed contribution rates for future years are 17.9% for employers and between 5.5% and 12.5% for employees. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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 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, the requirements of FRS 102 have therefore 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.

25. Pension schemes (continued)

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

The contributions to be paid by the Trust are recalculated every three years; the review as at 31 March 2016 determined contributions for the period from 1 April 2018 to 31 March 2020. Trustees are confident that a satisfactory run off arrangement can be reached and that no liability has crystallised as 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.

Employer LGPS & LPFA membership statistics	2021	2020
As at 31 March 2019		
Active members	254	254
Deferred pensioners	323	323
Pensioners	66	66
	<u>643</u>	<u>643</u>

LGPS Amounts recognised in the statement of financial activities	2021	2020
	£'000	£'000
Employer service costs	2,327	2,457
Interest cost on pension scheme obligations	625	632
Expected return on employers share of scheme assets	(458)	(459)
	<u>2,494</u>	<u>2,630</u>

Principal actuarial assumptions LGPS Scheme	2021	2020
	%	%
Rate of increases in salaries	3.60	2.90
Rate of increase for pensions in payment	2.90	2.20
Discount rate	1.65	1.70
Rate of CPI inflation	<u>2.90</u>	<u>2.20</u>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectancy on retirement aged 65 are:

	2021	2020
	Years	Years
Retiring today		
- Males	21.4	20.9
- Females	24.0	23.5
Retiring in 20 years		
- Males	22.8	22.2
- Females	<u>25.8</u>	<u>24.8</u>

Haberdashers' Aske's Federation Trust
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For the year ended 31 August 2021

25. Pension schemes (continued)

	2021	2020
	Fair value	Fair value
	£'000	£'000
The Trust's share of the net assets in the LGPS scheme		
Equities	20,258	17,715
Other bonds	7,717	6,345
Cash / liquidity	2,251	529
Property	1,929	1,851
	<u>32,156</u>	<u>26,440</u>
Actual return on scheme assets - gains / (losses)	<u>3,484</u>	<u>(26)</u>

	2021	2020
	£'000	£'000
Changes in the present value of LGPS defined benefit obligations		
Obligations as at 1st September	35,630	33,858
Current service cost	2,327	2,457
Interest cost	625	632
Employee contributions	318	323
Actuarial loss	7,649	(1,315)
Benefits paid	<u>(343)</u>	<u>(325)</u>
Obligations as at 31st August	<u>46,206</u>	<u>35,630</u>

	2021	2020
	£'000	£'000
Changes in the fair value of the Trust's share of LGPS scheme assets		
Assets as at 1st September	26,440	24,885
Return on plan assets - Actuarial gain	4,206	16
Expected return on employers share of net assets	458	459
Employer contributions	1,077	1,082
Employee contributions	318	323
Benefits paid	<u>(343)</u>	<u>(325)</u>
Assets as at 31st August	<u>32,156</u>	<u>26,440</u>

	2021	2020
	£'000	£'000
Reconciliation of opening and closing LGPS deficit		
Opening deficit at 1 September	(8,190)	(8,973)
Current service cost	(2,327)	(2,457)
Net interest cost	(167)	(173)
Contributions by employer	1,077	1,082
Changes in actuarial value gains/(losses)	<u>(3,443)</u>	<u>1,331</u>
	<u>(14,050)</u>	<u>(9,190)</u>

Haberdashers' Aske's Federation Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

25. Pension schemes (continued)

LGPS Sensitivity analysis

The impact on the net present value of pension scheme obligations and hence the scheme deficit from changes to the assumptions is detailed below.

	2021	2020
	£'000	£'000
Discount rate reduced by 0.1% increases the liability by	1,138	904
1 year increase in life expectancy increases the liability by	1,848	1,781
CPI rate increases by 0.1% increases the liability by	1,050	829

LPFA Amounts recognised in the statement of financial activities

	2021	2020
	£'000	£'000
Employer service costs	-	-
Interest cost on pension scheme obligations	11	12
Expected return on employers share of scheme assets	(43)	(31)
Net interest cost	<u>(32)</u>	<u>(19)</u>

Principal actuarial assumptions LPFA Scheme

	2021	2020
	%	%
Rate of increases in salaries	3.90	3.40
Rate of increase for pensions in payment	2.90	2.40
Discount rate	1.60	1.45
Rate of RPI Inflation	<u>3.40</u>	<u>3.25</u>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectancy on retirement aged 65 are:

	2021	2020
	Years	Years
Retiring today		
- Males	20.7	21.0
- Females	23.1	23.2
Retiring in 20 years		
- Males	22.0	22.4
- Females	<u>24.7</u>	<u>24.8</u>

Haberdashers' Aske's Federation Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

25. Pension schemes (continued)

	2021	2020
	Fair value	Fair value
	£'000	£'000
The Trust's share of the net assets in the LGPS scheme		
Equities	227	185
Target return portfolio	87	77
Alternative assets	69	54
Cash	21	21
	<u>404</u>	<u>337</u>
 Actual return on scheme assets - gains / (losses)	 <u>43</u>	 <u>34</u>
 Changes in the present value of LPFA defined benefit obligations	 2021	 2020
	£'000	£'000
Obligations as at 1st September	753	720
Current service cost	-	-
Interest cost	11	12
Employee contributions	-	-
Actuarial loss	(1)	55
Benefits paid	(29)	(34)
Obligations as at 31st August	<u>734</u>	<u>753</u>
 Changes in the fair value of the Trust's share of scheme assets	 2021	 2020
	£'000	£'000
Assets as at 1st September	337	317
Actuarial gain	-	(29)
Expected return on employers share of net assets	43	31
Employer contributions	53	52
Employee contributions	-	-
Benefits paid	(29)	(34)
Assets as at 31st August	<u>404</u>	<u>337</u>
 Reconciliation of opening and closing deficit	 2021	 2020
	£'000	£'000
Opening deficit at 1 September	(416)	(403)
Current service cost	-	-
Net interest cost	32	19
Contributions by employer	53	52
Changes in actuarial value gains/(losses)	1	(84)
	<u>(330)</u>	<u>(416)</u>

Haberdashers' Aske's Federation Trust

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25. Pension schemes (continued)

Sensitivity analysis

The impact on the net present value of pension scheme obligations and hence the scheme deficit from changes to the assumptions is detailed below.

	2021	2020
	£'000	£'000
Discount rate reduced by 0.1% increases the liability by	10	10
1 year increase in life expectancy increases the liability by	49	25
CPI rate increases by 0.1% increases the liability by	10	19

26. CENTRAL SERVICES CONTRIBUTIONS

The Trust has provided the following central services to its schools during the year:

- Financial services including Payroll
- Legal services
- Governance services
- Estates management support

The Trust charges each of its schools for these services on the following basis:

- 5% of total income of the school excluding trips and capital grants income

The actual amounts charged during the year were as follows:

	2021	2020
	£'000	£'000
Borough Academy	181	92
Crayford Academy	353	318
Crayford Temple Grove	66	70
Hatcham College	509	485
Hatcham Temple Grove	131	128
Hatcham T G Free School	125	124
Knights Academy	458	400
Knights Temple Grove	85	93
Slade Green Temple Grove	86	90
Total	1,994	1,800

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27. TEACHING SCHOOL TRADING ACCOUNT

	2021	2020
	£'000	£'000
Direct Income		
Teacher training funding	108	89
Consultancy income	(1)	4
Total Direct Income	107	93
Other Income		
Sponsorship (Unrestricted allocation of voluntary funding)	62	50
Total Income	169	143
Expenditure on:		
Direct staff costs	240	274
Staff development	80	47
Total Direct Costs	320	321
Other Costs		
Educational supplies	3	4
Catering	-	15
Administration	2	22
Events and Awards	-	19
Other Costs	1	3
Share of central costs	1	2
Total Other Costs	7	65
Total operating costs	327	386
Surplus/(Deficit) on Teaching School	(158)	(243)

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For the year ended 31 August 2021

28. SUBSIDIARY COMPANIES

The Charity is the ultimate parent undertaking, having 100% control, of HAHC Trading Ltd, a company limited by guarantee and registered in England.

The subsidiary is operated for trading activities that fall outside the primary purpose of the charity. All activities have been consolidated in the statement of financial activities. The total net profit of the subsidiary will be gifted to the charity within the first 9 months of the new financial year.

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

	2021 £'000	2020 £'000
Profit and Loss account		
Turnover	43	106
Other operating expenses	(19)	(33)
Net Profit	<u>24</u>	<u>73</u>
Profit and loss brought forward	73	130
Amount gifted to the charity	(73)	(130)
Profit and loss carried forward	<u>24</u>	<u>73</u>

	2021 £'000	2020 £'000
Balance Sheet		
Assets	72	106
Liabilities	(48)	(33)
Net Funds	<u>24</u>	<u>73</u>

The Charity is the ultimate parent undertaking, having 100% control, of HAHC Education Ltd, a company limited by guarantee and registered in England. The subsidiary is used for construction activities.

The company did not trade in either this or the previous year. The company has no net assets at the balance sheet dates

Haberdashers' Aske's Federation Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

29. COMPARATIVE ANALYSIS

Consolidated statement of financial activities for the year ended 31 August 2020

	Notes	Unrestricted Funds £'000	Restricted Funds: General £'000	Fixed asset £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	2	-	-	1,183	1,183	695
Charitable activities:						
-Funding for educational operations	4	-	34,960	-	34,960	31,677
-Teaching school		-	89	-	89	500
-Voluntary income	4/27	417	170	-	587	773
Other trading activities	3	106	-	-	106	181
Other income		570	-	-	570	868
Investments	5	34	-	-	34	46
Total income and endowments		1,127	35,219	1,183	37,529	34,740
Expenditure on:						
Charitable activities						
Educational operations	6 & 7	895	34,914	2,689	38,498	35,313
Teaching school		109	277	-	386	1,030
Other trading activities		33	-	-	33	51
Total expenditure	6 & 7	1,037	35,191	2,689	38,917	36,394
Net income/(expenditure)		90	28	(1,506)	(1,388)	(1,654)
Transfers between funds	17	(270)	(766)	1,036	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	1,247	-	1,247	(4,291)
Net movement in funds		(180)	509	(470)	(141)	(5,945)
Reconciliation of funds						
Total funds brought forward		2,607	(8,933)	78,447	72,121	78,066
Total funds carried forward		2,427	(8,424)	77,977	71,980	72,121

Haberdashers' Aske's Federation Trust

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

30. RELATED PARTY TRANSACTIONS

The Worshipful Company of Haberdashers has appointed six Nominated Directors to the Board of Trustees. The Worshipful Company of Haberdashers and its charities donated £551,000 during the year (2020: £515,652), the amount of £64,000 has been deferred at the year end and included in creditors for release in 2021-22.

The Temple Grove Schools Trust has appointed one Nominated Director to the Board of Trustees. It holds endowment funds for the benefit of pupils in the primary phase of education. Temple Grove Schools Trust donated £71,000 during the year (2020: £72,000). A total of £29,276 of the current year donation was deferred at the year end and included in creditors for release in 2021-22.

A Director of HAHC Trading Ltd, a wholly owned subsidiary of the Trust, is also a Director of the Trust. During the year, the Trust charged a total of £44,514 (2020: £30,030) to HAHC Trading Ltd for the services it provided to enable trading. At the end of the year HAHC Trading Ltd owed the Trust £44,514 (2020: £30,030). The profit for the year of £24,000 (2020: £74,000) will be paid out within nine months as a donation under gift aid regulations.

Simon Lough served as Chairman of Envision in 2021. During the year, the Trust made payments of £1,000 to Envision, a social action charity managing a community apprentice scheme.

Dame Sue John of the Board served as an Executive Director of Challenge Partners, the trust made payments of £31,000 to Challenge Partners as an annual subscription for professional learning. This contract was in place before Dame Sue John joined the Trust Board.