

**THE HAYGROVE ACADEMY TRUST**  
**(formerly known as Haygrove School)**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**CONTENTS**

---

	Page
<b>Reference and administrative details of the Academy Trust, its Trustees and Advisers</b>	1 - 2
<b>Trustees' report</b>	3 - 13
<b>Governance statement</b>	14 - 17
<b>Statement on regularity, propriety and compliance</b>	18
<b>Statement of Trustees' responsibilities</b>	19
<b>Independent auditors' report on the financial statements</b>	20 - 22
<b>Independent reporting accountant's assurance report on regularity</b>	23 - 24
<b>Statement of financial activities incorporating income and expenditure account</b>	25
<b>Balance sheet</b>	26
<b>Statement of cash flows</b>	27
<b>Notes to the financial statements</b>	28 - 49

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

<b>Members</b>	T Stoel-Walker R Symons Rev. E Moll G Slocombe C Spencer
<b>Trustees</b>	K Canham, Head Teacher <sup>1,2,3</sup> M Davies (resigned 9 September 2017) <sup>1</sup> I Dyer <sup>3</sup> T Hains, Vice Chair <sup>1,2,3</sup> T Stoel-Walker, Chair <sup>1,3</sup> J Stone <sup>3</sup> B Wierzchleyska <sup>1,2</sup> J Witts, Staff Trustee <sup>1</sup> K Pritchard (resigned 22 January 2018) <sup>1,2</sup> L Woodley, Staff Trustee <sup>3</sup> A Fulton (resigned 10 September 2017) <sup>3</sup> L Brett <sup>2,3</sup> G Howe <sup>3</sup> M Wilson <sup>3</sup> J Ashworth C Macadam G Pow M Cooke

<sup>1</sup> Standards & Performance

<sup>2</sup> Pay

<sup>3</sup> Finance, Environment and Audit

<b>Company registered number</b>	07665225
<b>Company name</b>	Haygrove School
<b>Principal and Registered office</b>	Durleigh Road Bridgwater Somerset TA6 7HW
<b>Company secretary</b>	Ms T Lee
<b>Accounting Officer</b>	Mrs K Canham

**Senior Leadership Team**

Mrs K Canham, Headteacher  
Mr A Reid, Deputy  
Mrs T Lee, Business Manager  
Mr G Walters, Assistant Head  
Miss J Elkerton, Assistant Head  
Mrs L Mills, Assistant Head  
Mrs M Frost, Assistant Head  
Mrs D Beach, Assistant Head

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Advisers (continued)**

**Independent auditors** Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

**Bankers** Lloyds Bank plc  
25 Cornhill  
Bridgwater  
Somerset  
TA6 3AY

**Solicitors** Browne Jacobson LLP  
Dix's Field  
Exeter  
Devon  
EX1 1UP

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 16 in Bridgwater. It has a pupil capacity of 1,070 and had a roll of 1,069 in the school census on 1 October 2018.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of The Haygrove Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Haygrove School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**Members' liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

**Trade union facility time**

During the year ended 31 August 2018, no Trust employees acted as trade union representatives and, therefore, time spent on trade union activities and the cost to the Trust were both Nil.

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees of the Academy Trust. The limit of this indemnity is £10,000,000.

## **TRUSTEES**

### **Method of Recruitment and Appointment or Election of Trustees**

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy Trust's development.

On July 1st 2011 the Trustees appointed all those Governors that served the predecessor school to be Trustees of the newly formed Academy Trust. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re election or replacement process.

The Academy Trust's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, up to 2 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 11 other Trustees.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 11 Trustees who are appointed by members.
- Up to 4 Parent Trustees who are elected by Parents of registered pupils at the Academy Trust.
- Up to 2 staff Trustees appointed by the Board of Trustees.
- The Headteacher who is treated for all purposes as being an ex officio Trustee.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy Trust's development.

The Academy Trust converted to a Multi Academy Trust in September 2016. As such the structure of the Trust changed for the academic year commencing September 2016.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The Academy Trust has a Trustee Recruitment, Induction and Training process available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. The new Trustees Handbook contains the strategic plan for the year and the expectations and responsibilities of Trustees. As there are normally only two or three new Trustees a year, induction is done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies. All new of potential Trustees are interviewed by the Headteacher and the Chair of Trustees.

There is a Trustees' away day organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Organisational Structure**

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 3 committees as follows;

- Finance Environment and Audit Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Standards and Performance Committee - this meets once a term to monitor, evaluate and review Academy Trust policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues. It also monitors and evaluations Human Resources Management across the Academy Trust.
- Occasional Committees – Discipline, Complaints, Appeals and Pay.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy Trust to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, 3 Assistant Heads and the Business Manager. 3 further members of staff are seconded to the SLT on an annual basis. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Headteacher, School Business Manager and Finance Environment and Audit Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts and where possible always include a Trustee.

The Headteacher is the Accounting Officer.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of any Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and is subject to a review of performance under Academy appraisal process. The pay policy clearly defines the Academy Trust's approach to awarding pay increases. All pay recommendations made by the Headteacher are submitted to the Governors' Pay Committee for approval. The Headteacher's remuneration is determined by the Pay Committee.

All members of the senior leadership team are appraised annually by the Headteacher using the national Headteacher standards and evidence of achievement of agreed challenging objectives which fit with the aims contained in the school development plan.

The Trustees benchmark against pay levels in other Academies of a similar size at the point of recruitment to ensure parity of pay to enable effective recruitment of quality staff into the Academy Trust.

**Connected Organisations, including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of Haygrove School. There are no sponsors or formal Parent Teacher Associations associated with the Academy Trust.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on Modern Foreign Languages.

The main aims of the Academy Trust during the year ended 31 August 2018 are summarised below:

- to continue to raise the standard of educational progress and attainment of all pupils with a particular focus of the progress of disadvantaged students
- to provide a broad and balanced curriculum, including extra-curricular activities
- to develop students as more effective learners who demonstrate confidence, self-belief and high self-expectations.
- to continue to improve the learning environment for students by keeping the focus on our PSPB2 application as well as the potential for developing the green field site at Queenwood Farm
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
  
- to improve attendance in line with national data
- to improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review
- to maximise the number of students who make more than expected progress
- to maximise the number of students who achieve 9-4/9-5 grades in English and Maths
- to promote our positive learning values within our culture for learning
- to embed and ensure consistent use by staff of the new Feedback policy
- to use the FLOURISH principles of Teaching and Learning to ensure effective Quality First teaching across the curriculum

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

- to establish ourselves as a MAT, attracting member schools (primary and secondary) who share our values and vision and a common commitment to improving the lives of children and young people in our community
- to provide value for money for the funds expended
- to maintain close links with industry and commerce, providing valuable access to work related opportunities
- to conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness
- develop further succession plans due to changes in school organisation, creating increased capacity and career opportunities
- to promote and develop staff and student welfare
- to establish an effective teaching school alliance that offers bespoke school to school support, high quality CPD and ITT.

At Haygrove School we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy Trust is a community in which children, staff and parents should be part of a happy and caring environment.

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our Academy Development Plan which is available from the Headteacher's PA. Improvement focuses identified for this year include:

- Increasing the proportion of students making at least expected progress, and to increase the levels of progress made by disadvantaged students
- Reducing the gap in progress and attainment between all groups of disadvantaged students and their peers

Key activities and targets were identified in the Academy Development Plan. The activities included the following:

- Improve the attendance of all groups
- Review of staffing levels in the light of budgetary pressure
- A review of the curriculum structure
- Continued development of systems for tracking and monitoring pupil attainment including use of 4Matrix and other systems
- Embedding Personalised Learning Checklists
- Creation of a more targeted and personalised action plan for Pupil Premium students including a new leadership role
- Focus on 'Growth Mind-set' for all students and staff
- Targeted use of mentors for students who are underperforming
- Closer linkage between CPD and appraisal outcomes
- Curriculum review ensuring breadth and depth
- Rigorous structure of subject line management enabling greater accountability
- Increased liaison with feeder school to ensure increased academic progress at the Key Stage 2/3 transition stage

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academy Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy Trust we work closely in partnership with our local primary schools and also link with local secondary schools and provide school to school and leadership support through Somerset Challenge and as a member of the South West Academies Group. We also work closely with our local Chamber of Commerce and a wide range of businesses.

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy Trust is in its eighth year of operation and has 1063 students on role as at October 2017. The intake for Year 7 in September 2018 is at our planned admission level but there are currently in excess of 40 students that are on the waiting list.

To ensure that standards are continually assessed, the Academy Trust operates a programme of lesson observations, which are undertaken by the Department Heads and the Senior Leadership Team.

To ensure that standards are continually assessed, the Academy Trust operates a programme of lesson observations, which are undertaken by the Department Heads and the Senior Leadership Team.

The Academy was inspected by OFSTED in 2016 and was judged to be Good.

Ensuring progress for all disadvantaged students was achieved through the use of personalised learning check lists, intervention and mentoring and strategies for raising confidence and self esteem in learning.

One member of the SLT is undertaking NPQSL. All teachers attend themed programmes Professional Development (CPD). The backbone of the programme is planned and calendared master classes delivered in directed time through our Performance and Welfare sessions. Master classes are delivered by our own staff so are a vehicle to share best practice. Our appraisal model requires attendance for a complete package of CPD and teachers are expected to be able to evidence the impact this has had on their teaching and student learning. In service training time has been used to develop the Academy Growth Mind Set strategy.

The Pay Policy and Appraisal Policy have been implemented and has run through its second full cycle. Teachers have the opportunity to meet with an appraiser and have objective, evidence based discussions about their successes and identify areas to address through CPD. This appraisal links to pay and more closely links financial reward with successful performance.

## **Academic Achievement**

### Progress

- Progress 8 was -0.08
- Progress 8 for Mathematics was 0.01
- Progress 8 for English was -0.28
- Progress 8 for Ebacc was 0.24
- Progress 8 for Open Subjects was -0.33
- Progress 8 for Disadvantaged students was -0.51
- 62% of children made 3 levels of progress in mathematics
- 39% of children made 4 levels of progress in mathematics
- 55% of children made 3 levels of progress in English Language
- 37% of children made 4 levels of progress in English Language
- 51% of children made 3 levels of progress in English Literature
- 35% of children made 4 levels of progress in English Literature

### Attainment

- Attainment 8 is 46.42
- Attainment 8 for Boys is 40.91
- Attainment 8 for Girls is 51.92
- Attainment 8 for Disadvantaged students is 35.76
- Attainment 8 for Non Disadvantaged students is 48.85
- Attainment 8 for SEN students is 33.59
- Attainment 8 for Non SEN students is 48.48
- Attainment 8 for G&T students is 66.39
- English and mathematics 9-5 is 37%
- Boys English and mathematics 9-5 is 25%
- Girls English and mathematics 9-5 is 50%
- Disadvantaged Students English and mathematics 9-5 is 15%
- Non Disadvantaged English and mathematics 9-5 is 42%
- SEN English and mathematics 9-5 is 10%
- Non SEN English and mathematics 9-5 is 41%
  
- G&T English and mathematics 9-5 is 87%
- English and mathematics 9-4 is 68%
- Boys English and mathematics 9-4 is 56%
- Girls English and mathematics 9-4 is 79%
- Disadvantaged Students English and mathematics 9-4 is 38%
- Non Disadvantaged English and mathematics 9-4 is 74%
- SEN English and mathematics 9-4 is 38%
- Non SEN English and mathematics 9-4 is 72%
- G&T English and mathematics 9-4 is 96%

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention the amount of carry forward is restricted to 12%. In period under review, the balance of GAG carried forward was Nil.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2017 remain buoyant with the Academy operating at capacity. Student numbers across the town continue to increase which are likely to lead to an increase in over subscription.

The school awaits commencement of major building or refurbishment works as part of a successful bid for funding under the Priority Schools Building Programme. It is anticipated that building will commence in the Summer of 2018 with a planned occupation of September 2019.

**Going Concern**

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

**FINANCIAL REVIEW**

Most of the Academy Trust's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies. During 2017/18 the Trust received £22,073 in the form of devolved formula capital ("DFC" from the Department for Education). This balance was fully spent during the year.

During the year ended 31 August 2018, the Academy Trust received total income of £5,393,118 and incurred total expenditure of £5,931,504. The excess of expenditure over income for the year was £538,386.

At 31 August 2018 the net book value of fixed assets was £12,269,996 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The land, buildings and other assets were transferred to the Academy Trust upon conversion. Land and buildings were professionally valued on 31 August 2012 at £11,315,948. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Reserves Policy**

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be not less than £200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In addition the reserves will off set the reduction in funding from the EFA to secure a balanced budget for the 2017/18 Academic Year.

Total reserves of the Academy Trust amount to £9,686,356 (including a pension deficit of £3,042,000 and fixed assets of £11,780,075). The remaining £948,281 (representing £819,484 unrestricted funds and £97,328 unspent GAG and £31,469 other restricted funds) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**Investment Policy**

Due to the nature and timing of receipt of funding, the Academy Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy Trust are as follows:

**Financial** - The Academy Trust has total reliance on continued Government funding through the ESFA. In the last year 96.8% of the Academy Trust's incoming resources were ultimately Government funded. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The Academy Trust is aware that there are further planned cuts to the Education Support Grant and this will continue to place considerable pressure on the Academy Trust to set a balanced budget. The delay in the introduction of the National Funding Formula presents a further challenge as the Academy Trust is likely to be a benefit from its introduction.

**Failures in governance and/or management** - The risk in this area arises from potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - The continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - The success of the Academy Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

there is clear succession planning.

Fraud and mismanagement of funds - The Academy Trust has appointed an external reviewer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy has a stable student population, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

Student numbers are likely to remain buoyant due to major housing development as a result of an increase in both the birth rate and demographics. The construction of Hinkley C will bring additional requirements for housing and student places will increase. There is already a shortage of primary places and new build is necessary.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS**

The Academy Trust will continue:

- to strive to provide outstanding education and improve levels of progress of its pupils at all levels and reducing the gaps between groups of students
- to aim to attract high quality teachers and support staff in order to deliver its objectives
- to work with partner schools to improve the educational opportunities for students in the wider community
- to work with the ESFA on developing the strategy for the re-build of the main school building as part of PSPB2.
- to improve attendance particularly for vulnerable students
- to build in our close relationships with our feeder primary schools with the aim of improving academic progress at the transition stage between KS2 to KS3
- to develop our teaching school offering school to school support, CPD and ITT to the local and regional community.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 4 December 2018 and signed on the board's behalf by:

**T Stoel-Walker  
Chair of Trustees**

**K Canham  
Accounting Officer**

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

---

**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Haygrove Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year (one of which was an extraordinary meeting). Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
K Canham, Head Teacher	5	5
I Dyer	1	5
T Hains, Vice Chair	4	5
T Stoel-Walker, Chair	5	5
J Stone	3	5
B Wierzchleyska	4	5
J Witts, Staff Trustee	3	5
K Pritchard (resigned 22.01.18)	2	3
L Woodley, Staff Trustee	3	5
L Brett	4	5
G Howe	3	5
M Wilson	4	5
M Cooke (appointed 26.01.18)	2	2
A Fulton & M Davies (resigned 10.9.17)	0	0

Until the school has received the official approval of the Regional Schools' Commissioner to operate as a formal collaboration with the four schools that have elected to 'academise' and join the Trust, the original Trustees' Board (pre-MAT) will continue to govern. In readiness, however, for the approval to be given, a new 'shadow' board of Trustees has been recruited, who are attending Trustees meetings during this interim period (Trevor Hains, Cath Macadam, Graham Pow and Jenny Ashworth.)

During the year the focus has been on setting up the necessary structures around leadership and governance, which will enable the Trust to achieve its strategic aims. These include:

- A formal recruitment process for the reconstitution of governance including Members, Trustees and local governance – this includes liaison with the diocese and Academy Ambassadors
- Creation of skills audit based on the national competency framework for governance, to be used for the appointment of new Trustees
- A clear Scheme of Delegation which sets out levels of accountability, roles and responsibilities
- Policies for 'Schools Causing Concern', monitoring and review and quality assurance
- A regular dialogue with the chairs of governing bodies in schools which are applying to become academies and join the Haygrove Academy Trust.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

---

The Finance, Environment Audit Committee is a sub-committee of the main Board of Trustees, Its purpose is to review school budget and financial management standards, review assigned school policies, evaluate the school development plan, review pay and review financial performance. In their role as Responsible Officer the Finance, Environment and Audit Committee has contracted the detailed checking of financial systems and processes to Education Financial Services. Education Financial Services has carried out a programme of checks, which includes a quarterly visit to focus on each of the following areas:

- Purchasing including ordering, invoicing and petty cash
- Payroll
- Income
- Accountancy system including bank reconciliation and budget monitoring

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L Brett, Chair	4	4
K Canham, Head Teacher	4	4
T Hains, Vice Chair	2	4
T Stoel-Walker	3	4
J Stone (resigned from committee 10/07/2018)	2	3
G Howe	3	4
I Dyer	2	4
M Wilson	4	4
L Woodley	2	4

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management;
- Value for money purchasing;
- Reviewing controls and managing risk;
- Using a specialist consultant to support the award of a new catering contract;
- Undertaking a further review of the curriculum and staffing resulting structures to achieve further savings in excess of £200,000;
- Making comparisons with similar Academies using data provided by the EFA and the Government;
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively;
- Reviewing quality of curriculum provision and quality of teaching;
- Reviewing quality of children's learning to enable children to achieve nationally expected progress;
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote;
- Reviewing pupil premium funding to target funding at strategies to improve student progress and attainment;
- Replacing the reprographics equipment across the school via CPC framework agreement and installation of an embedded print management solution.

**GOVERNANCE STATEMENT (continued)**

---

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Haygrove Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mrs Alison Saunders from Educational Financial Services as an external reviewer reporting to the Finance, Environmental and Audit Committee who have taken on the role, as Responsible Officer (RO)

The internal Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems ensuring that effective procedures are in place for the administration and authorisation of personnel contracts and payroll activities
- Testing of the school's accountancy system including bank reconciliations and budget monitoring;
- Testing of Income systems.

On a quarterly basis, the reviewer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

---

The independent reviewer reports to the Board of Trustees, through the Finance, Environment and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The independent reviewer has delivered the programme of planned checks and no material control issues have arisen as a result of the checks undertaken.

- An Expenses Policy has been written.
- Delivery notes will be signed to prove that they have been checked.
- Additional guidance has been included within the credit card policy to meet the Internal Controls for the Charities Section D4.
- Register of Business Interests complete for all Trustees and information is now on the school website.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 4 December 2018 and signed on their behalf, by:

**T Stoel-Walker**  
**Chair of Trustees**

**K Canham**  
**Accounting Officer**

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of The Haygrove Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees 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 Academy Trust, under the funding agreement in place between the Academy 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 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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

**K Canham  
Accounting Officer**

Date: 4 December 2018

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

**T Stoel-Walker  
Chair of Trustees**

**Date: 18 December 2018**

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
HAYGROVE ACADEMY TRUST**

---

**OPINION**

We have audited the financial statements of The Haygrove Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
HAYGROVE ACADEMY TRUST**

---

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our Auditors' 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.

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.

**OPINION 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 (incorporating the Strategic Report and Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust 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 Academy Trust'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 the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
HAYGROVE ACADEMY TRUST**

---

**AUDITORS' 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 Auditors' 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**USE OF OUR REPORT**

This report is made solely to the Academy Trust'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 Academy Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Tim Borton FCA DChA (Senior Statutory Auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS  
20 December 2018

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE  
HAYGROVE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 12 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Haygrove Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Haygrove Academy 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 Haygrove Academy 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 Haygrove Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE HAYGROVE ACADEMY TRUST'S ACCOUNTING OFFICER AND  
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Haygrove Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE  
HAYGROVE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

---

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

20 December 2018

**THE HAYGROVE ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	3	-	20,809	22,073	42,882	93,340
Charitable activities	4	43,213	5,082,826	51,194	5,177,233	5,263,259
Teaching schools	26	-	60,350	-	60,350	-
Other trading activities	5	104,066	7,766	-	111,832	108,650
Investments	6	821	-	-	821	426
<b>TOTAL INCOME</b>		<b>148,100</b>	<b>5,171,751</b>	<b>73,267</b>	<b>5,393,118</b>	<b>5,465,675</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	-	-	-	2,124
Charitable activities		117,018	5,426,378	355,336	5,898,732	5,900,645
Teaching schools	26	-	32,772	-	32,772	-
<b>TOTAL EXPENDITURE</b>	7	<b>117,018</b>	<b>5,459,150</b>	<b>355,336</b>	<b>5,931,504</b>	<b>5,902,769</b>
<b>NET BEFORE TRANSFERS</b>		<b>31,082</b>	<b>(287,399)</b>	<b>(282,069)</b>	<b>(538,386)</b>	<b>(437,094)</b>
Transfers between Funds	18	-	(27,748)	27,748	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>31,082</b>	<b>(315,147)</b>	<b>(254,321)</b>	<b>(538,386)</b>	<b>(437,094)</b>
Actuarial gains on defined benefit pension schemes	22	-	726,000	-	726,000	809,000
<b>NET MOVEMENT IN FUNDS</b>		<b>31,082</b>	<b>410,853</b>	<b>(254,321)</b>	<b>187,614</b>	<b>371,906</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		788,402	(3,324,056)	12,034,396	9,498,742	9,126,836
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>819,484</b>	<b>(2,913,203)</b>	<b>11,780,075</b>	<b>9,686,356</b>	<b>9,498,742</b>

The notes on pages 28 to 49 form part of these financial statements.

**THE HAYGROVE ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07665225**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>12,269,996</b>		12,539,547
<b>CURRENT ASSETS</b>					
Debtors	15	<b>105,464</b>		118,717	
Cash at bank and in hand		<b>594,440</b>		518,873	
			<b>699,904</b>	637,590	
<b>CREDITORS:</b> amounts falling due within one year	16	<b>(241,544)</b>		(203,395)	
<b>NET CURRENT ASSETS</b>			<b>458,360</b>		434,195
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>12,728,356</b>		12,973,742
Defined benefit pension scheme liability	22		<b>(3,042,000)</b>		(3,475,000)
<b>NET ASSETS</b>			<b>9,686,356</b>		9,498,742
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	18	<b>128,797</b>		150,944	
Fixed asset funds	18	<b>11,780,075</b>		12,034,396	
Restricted funds excluding pension liability		<b>11,908,872</b>		12,185,340	
Pension reserve		<b>(3,042,000)</b>		(3,475,000)	
Total restricted funds			<b>8,866,872</b>		8,710,340
Unrestricted funds	18		<b>819,484</b>		788,402
<b>TOTAL FUNDS</b>			<b>9,686,356</b>		9,498,742

The financial statements on pages 25 to 49 were approved by the Trustees, and authorised for issue, on 18 December 2018 and are signed on their behalf, by:

**T Stoel-Walker**  
**Chair of Trustees**

The notes on pages 28 to 49 form part of these financial statements.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<u>127,807</u>	<u>160,620</u>
<b>Cash flows from investing activities:</b>			
Interest received		821	426
Purchase of tangible fixed assets		(75,134)	(35,828)
Capital grants from DfE/ESFA		<u>22,073</u>	<u>22,124</u>
<b>Net cash used in investing activities</b>		<u>(52,240)</u>	<u>(13,278)</u>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		<u>518,873</u>	<u>371,531</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>594,440</u></u>	<u><u>518,873</u></u>

The notes on pages 28 to 49 form part of these financial statements.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP 2015 (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 GOING CONCERN**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 INCOME**

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it can be reliably measured.

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods and services.

**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

The Trust has been notified that a new building is going to be provided at Haygrove Academy under the Priority Schools Building Programme. The new building is scheduled to open in September 2020. On completion of the new building, part of the existing school buildings will be demolished. This represents some 60% of the current buildings with an estimated net book value of around £4.6m. Given that the existing buildings still have a value in use until the new building is ready, the Trustees have decided not to write the whole of this amount off over the remaining life. Rather, in the period in which the cost of the new building is recognised as income and an asset, then the remaining net book value of the demolished building will be removed from the accounts.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1. ACCOUNTING POLICIES (continued)**

Freehold property	-	10-50 years straight line
Motor vehicles	-	5 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

**1.6 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.7 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.8 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**1.9 FINANCIAL INSTRUMENTS**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.10 TAXATION**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1. ACCOUNTING POLICIES (continued)**

**1.11 PENSIONS**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to net income/expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.12 FUND ACCOUNTING**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1. ACCOUNTING POLICIES (continued)**

**1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts 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. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**1.14 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.15 AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent in respect of collecting and distributing funds in respect of certain trips. Payments received from students and subsequent disbursement to the trip organiser are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The funds received and paid and any balances held at the year end are disclosed in note 28.

**2. GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2018.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	20,809	-	20,809	71,216
Capital Grants	-	-	22,073	22,073	22,124
	<u>-</u>	<u>20,809</u>	<u>22,073</u>	<u>42,882</u>	<u>93,340</u>
Total 2017	<u>46,046</u>	<u>25,170</u>	<u>22,124</u>	<u>93,340</u>	

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	43,213	5,134,020	5,177,233	5,263,259
	<u>43,213</u>	<u>5,134,020</u>	<u>5,177,233</u>	<u>5,263,259</u>
Total 2017	<u>6,750</u>	<u>5,256,509</u>	<u>5,263,259</u>	

**THE HAYGROVE ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	4,803,834	4,803,834	4,841,675
Other DfE/ESFA grants	-	265,173	265,173	358,443
	<u>-</u>	<u>5,069,007</u>	<u>5,069,007</u>	<u>5,200,118</u>
<b>Other Government grants</b>				
Other Government grants non capital	-	9,450	9,450	3,925
High Needs	-	32,013	32,013	42,625
	<u>-</u>	<u>41,463</u>	<u>41,463</u>	<u>46,550</u>
<b>Other funding</b>				
Sales to students	8,980	-	8,980	9,841
Other	26,233	23,550	49,783	6,750
Catering	8,000	-	8,000	-
	<u>43,213</u>	<u>23,550</u>	<u>66,763</u>	<u>16,591</u>
	<u>43,213</u>	<u>5,134,020</u>	<u>5,177,233</u>	<u>5,263,259</u>
Total 2017	<u>6,750</u>	<u>5,256,509</u>	<u>5,263,259</u>	

**5. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	14,147	-	14,147	16,185
Other	89,919	7,766	97,685	92,465
	<u>104,066</u>	<u>7,766</u>	<u>111,832</u>	<u>108,650</u>
Total 2017	<u>108,650</u>	<u>-</u>	<u>108,650</u>	

**THE HAYGROVE ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**6. INVESTMENT INCOME**

	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Bank interest	<b>821</b>	426
Total 2017	<b>426</b>	

**7. EXPENDITURE**

	<b>Staff costs 2018 £</b>	<b>Premises 2018 £</b>	<b>Other costs 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Expenditure on fundraising trading	-	-	-	-	2,124
Activities:					
Direct costs	<b>3,799,233</b>	<b>488,110</b>	<b>274,973</b>	<b>4,562,316</b>	4,527,796
Support costs	<b>820,599</b>	<b>158,587</b>	<b>357,230</b>	<b>1,336,416</b>	1,372,849
Teaching schools	-	-	<b>32,772</b>	<b>32,772</b>	-
	<b>4,619,832</b>	<b>646,697</b>	<b>664,975</b>	<b>5,931,504</b>	5,902,769
Total 2017	<b>4,596,811</b>	<b>424,384</b>	<b>881,574</b>	<b>5,902,769</b>	

**8. DIRECT COSTS**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Pension finance costs	<b>90,000</b>	88,000
Educational supplies	<b>230,336</b>	269,044
Examination fees	<b>77,959</b>	77,311
Supply teachers	<b>54,013</b>	105,053
Technology costs	<b>7,181</b>	-
Wages and salaries	<b>2,860,906</b>	2,792,784
National insurance	<b>280,789</b>	279,072
Pension cost	<b>657,538</b>	619,240
Depreciation	<b>303,594</b>	297,292
	<b>4,562,316</b>	4,527,796
Total 2017	<b>4,527,796</b>	

**THE HAYGROVE ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**9. SUPPORT COSTS**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Other costs	8,669	7,707
Supply teachers	10,732	10,830
Recruitment and support	40,198	44,723
Maintenance of premises and equipment	74,535	82,947
Cleaning	18,522	22,164
Rent and rates	36,375	33,246
Energy costs	68,225	62,986
Insurance	25,330	24,803
Security and transport	8,687	6,238
Catering	35,148	25,766
Technology costs	53,457	42,816
Office overheads	72,243	71,448
Legal and professional	38,357	66,794
Bank interest and charges	1,992	301
Governance costs	10,389	12,678
Wages and salaries	605,113	637,010
National insurance	38,231	39,773
Pension cost	123,242	110,925
Depreciation	66,971	69,694
	<u><u>1,336,416</u></u>	<u><u>1,372,849</u></u>
Total 2017	<u><u>1,372,849</u></u>	

**10. NET INCOME/(EXPENDITURE) FOR THE PERIOD**

This is stated after charging:

	<b>2018 £</b>	<b>2017 £</b>
Depreciation of tangible fixed assets: - owned by the Academy Trust	370,566	366,986
Auditors' remuneration - audit	7,875	7,650
Auditors' remuneration - non audit	765	2,020
Operating lease rentals	23,512	24,678
	<u><u>370,566</u></u>	<u><u>366,986</u></u>

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**11. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	<b>2018</b>	2017
	£	£
Wages and salaries	<b>3,438,597</b>	3,409,903
Social security costs	<b>319,020</b>	319,747
Pension costs	<b>780,780</b>	730,166
	<b>4,538,397</b>	4,459,816
Apprenticeship Levy	<b>2,472</b>	896
Staff restructuring costs	<b>24,950</b>	20,216
Supply teacher costs	<b>54,013</b>	115,883
	<b>4,619,832</b>	4,596,811

Included in the staff restructuring cost is one non-statutory/non-contractual severance payment, totalling £24,950 (2017: £20,216), paid on 30 August 2018.

**b. Staff numbers**

The average number of persons employed by the Academy Trust during the year was as follows:

	<b>2018</b>	2017
	No.	No.
Teachers	<b>57</b>	57
Administration and support	<b>83</b>	83
Management	<b>8</b>	6
	<b>148</b>	146

Average headcount expressed as a full time equivalent:

	<b>2018</b>	2017
	No.	No.
Teachers	<b>54</b>	60
Administration and support	<b>55</b>	53
Management	<b>8</b>	6
	<b>117</b>	119

**c. Higher paid staff**

The number of employees whose employee benefits (excluding employer's Nation Insurance contributions and employer pension costs) exceeded £60,000 was:

	<b>2018</b>	2017
	No.	No.
In the band £60,001 - £70,000	<b>3</b>	2
In the band £90,001 - £100,000	<b>1</b>	1

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**11. STAFF COSTS (continued)**

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £626,321 (2017: £496,141).

The increase from 2016/17 includes two extra members of the senior leadership team, being in respect of the teaching school and to support ongoing MAT development.

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

**12. TRUSTEES' REMUNERATION AND EXPENSES**

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows  
K Canham: Remuneration £95,000 - £100,000 (2017: £95,000 - £100,000), Employer's pension contributions £15,000 - £20,000 (2017: £15,000 - £20,000). L Woodley: Remuneration £30,000 - £35,000 (2017: £25,000 - £30,000), Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000). J Witts: Remuneration £20,000 - £25,000 (2017: £25,000 - £30,000), Employer's pension contributions £nil - £5,000 (2017: £nil - £5,000).

During the year ended 31 August 2018, expenses totalling £24 (2017: £51) were reimbursed to 1 Trustee (2017: 1).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. Costs for the RPA scheme totalled £21,380.

**THE HAYGROVE ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2017	14,028,960	29,121	334,237	428,699	14,821,017
Additions	54,672	-	-	46,343	101,015
Disposals	-	-	-	(112,586)	(112,586)
At 31 August 2018	<u>14,083,632</u>	<u>29,121</u>	<u>334,237</u>	<u>362,456</u>	<u>14,809,446</u>
<b>DEPRECIATION</b>					
At 1 September 2017	1,663,734	29,121	190,687	397,928	2,281,470
Charge for the year	297,293	-	38,998	34,275	370,566
On disposals	-	-	-	(112,586)	(112,586)
At 31 August 2018	<u>1,961,027</u>	<u>29,121</u>	<u>229,685</u>	<u>319,617</u>	<u>2,539,450</u>
<b>NET BOOK VALUE</b>					
At 31 August 2018	<u>12,122,605</u>	<u>-</u>	<u>104,552</u>	<u>42,839</u>	<u>12,269,996</u>
At 31 August 2017	<u>12,365,226</u>	<u>-</u>	<u>143,550</u>	<u>30,771</u>	<u>12,539,547</u>

**15. DEBTORS**

	2018 £	2017 £
Trade debtors	2,979	2,966
VAT recoverable	35,499	37,354
Prepayments and accrued income	66,986	78,397
	<u>105,464</u>	<u>118,717</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Other taxation and social security	94,312	76,584
Other creditors	76,077	69,955
Accruals and deferred income	71,155	56,856
	<u>241,544</u>	<u>203,395</u>

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

	2018 £	2017 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2017	11,642	18,191
Resources deferred during the year	22,592	11,642
Amounts released from previous years	(11,642)	(18,191)
	<u>22,592</u>	<u>11,642</u>
Deferred income at 31 August 2018	<u>22,592</u>	<u>11,642</u>

At the balance sheet date the Academy was holding funds received in advance for educational visits and rates.

**17. FINANCIAL INSTRUMENTS**

	2018 £	2017 £
Financial assets measured at amortised cost	<u>640,374</u>	<u>571,641</u>
Financial liabilities measured at amortised cost	<u>(124,640)</u>	<u>(118,206)</u>

Financial assets measured at amortised cost comprise trade debtors, accrued income and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise other creditors and accruals.

**18. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	260,184	62,090	(14,976)	-	-	307,298
Fixed assets	505,150	-	(15,229)	-	-	489,921
Other funds	23,068	86,010	(86,813)	-	-	22,265
	<u>788,402</u>	<u>148,100</u>	<u>(117,018)</u>	<u>-</u>	<u>-</u>	<u>819,484</u>

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS (continued)**

**RESTRICTED FUNDS**

General Annual Grant (GAG)	145,959	4,861,165	(4,882,048)	(27,748)	-	97,328
High Needs	-	32,013	(32,013)	-	-	-
Pupil Premium	-	183,758	(183,758)	-	-	-
Other DfE/ESFA grant	-	10,490	(10,490)	-	-	-
Other restricted funds	4,985	23,975	(25,069)	-	-	3,891
Teaching School	-	60,350	(32,772)	-	-	27,578
Pension reserve	(3,475,000)	-	(293,000)	-	726,000	(3,042,000)
	<u>(3,324,056)</u>	<u>5,171,751</u>	<u>(5,459,150)</u>	<u>(27,748)</u>	<u>726,000</u>	<u>(2,913,203)</u>

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets transferred on conversion	10,226,800	-	(222,750)	-	-	10,004,050
Fixed assets purchased from GAG	225,515	22,073	(80,902)	27,748	-	194,434
DfE/ESFA Capital grants	96,454	51,194	(10,952)	-	-	136,696
Academy Capital Maintenance Fund	1,335,043	-	(40,732)	-	-	1,294,311
Donation	150,584	-	-	-	-	150,584
	<u>12,034,396</u>	<u>73,267</u>	<u>(355,336)</u>	<u>27,748</u>	<u>-</u>	<u>11,780,075</u>
Total restricted funds	<u>8,710,340</u>	<u>5,245,018</u>	<u>(5,814,486)</u>	<u>-</u>	<u>726,000</u>	<u>8,866,872</u>
Total of funds	<u>9,498,742</u>	<u>5,393,118</u>	<u>(5,931,504)</u>	<u>-</u>	<u>726,000</u>	<u>9,686,356</u>

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

**RESTRICTED FUNDS**

**General Annual Grant** - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

**High Needs** - Funding received by the Local Authority to fund further support for students with additional needs.

**Pupil Premium** - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

**Regional Growth Fund** - This represents funding which is provided by the DfE to enable Academy Trusts to grow.

**Other DfE/ESFA grant** - This Includes Year 7 catch up grant.

**Other restricted funds** - This includes PFSA income, family support advisor and a project ability grant which aims to create competitive opportunities for young disabled people within the school games and to increase opportunities for young disabled people.

**Sales to students** - Income for the purchase of supplies for students.

**THE HAYGROVE ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS (continued)**

**Pension reserve** - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme.

**RESTRICTED FIXED ASSET FUNDS**

**Fixed assets transferred on conversion** - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

**DfE/ESFA Capital grants** - These funds were received for expenditure on fixed asset projects. The balance at the year end represents the NBV of assets.

**Academy Capital Maintenance Fund** - These funds were received for expenditure on specific fixed asset projects.

**Donation** - Funds received from on government sources for specific fixed asset projects.

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Note 2 discloses whether the limit was exceeded.

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>GENERAL FUNDS</b>						
General funds	213,584	69,423	(22,823)	-	-	260,184
Fixed assets	520,380	-	(15,230)	-	-	505,150
Other funds	37,798	92,449	(107,179)	-	-	23,068
	<u>771,762</u>	<u>161,872</u>	<u>(145,232)</u>	<u>-</u>	<u>-</u>	<u>788,402</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	5,803	4,841,675	(4,667,481)	(34,038)	-	145,959
High Needs	-	42,625	(42,625)	-	-	-
Pupil Premium	-	187,551	(187,551)	-	-	-
Regional Growth Fund	-	160,500	(160,500)	-	-	-
Other DfE/ESFA grant	-	10,392	(10,392)	-	-	-
Other restricted funds	14,281	29,095	(38,391)	-	-	4,985
Sales to students	-	9,841	(9,841)	-	-	-
Pension reserve	(3,995,000)	-	(289,000)	-	809,000	(3,475,000)
	<u>(3,974,916)</u>	<u>5,281,679</u>	<u>(5,405,781)</u>	<u>(34,038)</u>	<u>809,000</u>	<u>(3,324,056)</u>

**THE HAYGROVE ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS (continued)**

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets transferred on conversion	10,449,550	-	(222,750)	-	-	10,226,800
Fixed assets purchased from GAG	254,198	-	(62,721)	34,038	-	225,515
DfE/ESFA Capital grants	95,124	22,124	(20,794)	-	-	96,454
Academy Capital Maintenance Fund	1,375,774	-	(40,731)	-	-	1,335,043
Donation	155,344	-	(4,760)	-	-	150,584
	<u>12,329,990</u>	<u>22,124</u>	<u>(351,756)</u>	<u>34,038</u>	<u>-</u>	<u>12,034,396</u>
Total restricted funds	<u>8,355,074</u>	<u>5,303,803</u>	<u>(5,757,537)</u>	<u>-</u>	<u>809,000</u>	<u>8,710,340</u>
Total of funds	<u><u>9,126,836</u></u>	<u><u>5,465,675</u></u>	<u><u>(5,902,769)</u></u>	<u><u>-</u></u>	<u><u>809,000</u></u>	<u><u>9,498,742</u></u>

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	489,921	-	11,780,075	12,269,996
Current assets	561,097	138,807	-	699,904
Creditors due within one year	(231,534)	(10,010)	-	(241,544)
Pension scheme liability	-	(3,042,000)	-	(3,042,000)
	<u>819,484</u>	<u>(2,913,203)</u>	<u>11,780,075</u>	<u>9,686,356</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>
	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	505,150	-	12,034,396	12,539,546
Current assets	293,434	344,157	-	637,591
Creditors due within one year	(10,182)	(193,213)	-	(203,395)
Provisions for liabilities and charges	-	(3,475,000)	-	(3,475,000)
	<u>788,402</u>	<u>(3,324,056)</u>	<u>12,034,396</u>	<u>9,498,742</u>

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(538,386)</b>	(437,094)
<b>Adjustment for:</b>		
Depreciation charges	<b>370,566</b>	366,986
Interest received	<b>(821)</b>	(426)
Decrease/(increase) in debtors	<b>13,253</b>	(1,146)
Increase/(decrease) in creditors	<b>12,268</b>	(34,576)
Capital grants from DfE and other capital income	<b>(22,073)</b>	(22,124)
Defined benefit pension scheme cost less contributions payable	<b>203,000</b>	201,000
Defined benefit pension scheme finance cost	<b>90,000</b>	88,000
<b>Net cash provided by operating activities</b>	<b>127,807</b>	160,620

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank and in hand	<b>594,440</b>	518,873
	<b>594,440</b>	518,873

**22. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Somerset County Council. Both are multi-employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £70,840 were payable to the schemes at 31 August 2018 (2017: 66,714 and are included within creditors).

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**22. PENSION COMMITMENTS (continued)**

in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £373,773 (2017: £347,505).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £267,000 (2017: £237,000), of which employer's contributions totalled £208,000 (2017: £181,000) and employees' contributions totalled £59,000 (2017: £56,000). The agreed contribution rates for future years are 15.1% for employers and 5.5 - 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	<b>2018</b>	2017
Discount rate for scheme liabilities	<b>2.65 %</b>	2.60 %
Rate of increase in salaries	<b>3.80 %</b>	4.20 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.70 %
Inflation assumption (CPI)	<b>2.30 %</b>	2.70 %

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**22. PENSION COMMITMENTS (continued)**

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

	<b>2018</b>	2017
Retiring today		
Males	<b>24</b>	23.9
Females	<b>25.2</b>	25.1
Retiring in 20 years		
Males	<b>26.3</b>	26.2
Females	<b>27.5</b>	27.4

<b>Sensitivity analysis</b>	<b>At 31 August 2018</b>	At 31 August 2017
	£	£
Discount rate +0.1%	<b>140,000</b>	143,000
Discount rate -0.1%	<b>(143,000)</b>	(147,000)
Mortality assumption - 1 year increase	<b>(193,000)</b>	(156,000)
Mortality assumption - 1 year decrease	<b>187,000</b>	152,000
CPI rate +0.1%	<b>(119,000)</b>	(123,000)
CPI rate -0.1%	<b>-</b>	116,000

The Academy Trust's share of the assets in the scheme was:

	<b>Fair value at 31 August 2018</b>	Fair value at 31 August 2017
	£	£
Equities	<b>1,892</b>	1,675
Gilts	<b>141</b>	129
Corporate bonds	<b>238</b>	234
Property	<b>234</b>	212
Cash and other liquid assets	<b>125</b>	103
Total market value of assets	<b>2,630</b>	2,353

The actual return on scheme assets was £104,000 (2017: £259,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2018</b>	2017
	£	£
Current service cost	<b>(411,000)</b>	(380,000)
Interest income	<b>61,000</b>	41,000
Interest cost	<b>(151,000)</b>	(129,000)
Total	<b>(501,000)</b>	(468,000)

**THE HAYGROVE ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**22. PENSION COMMITMENTS (continued)**

Movements in the present value of the defined benefit obligation were as follows:

	<b>2018</b>	2017
	£	£
Opening defined benefit obligation	<b>5,828,000</b>	5,847,000
Current service cost	<b>411,000</b>	380,000
Interest cost	<b>151,000</b>	129,000
Employee contributions	<b>59,000</b>	67,000
Actuarial gains	<b>(685,000)</b>	(576,000)
Benefits paid	<b>(92,000)</b>	(19,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>5,672,000</b>	5,828,000
	<hr/> <hr/>	<hr/> <hr/>

Movements in the fair value of the Academy Trust's share of scheme assets:

	<b>2018</b>	2017
	£	£
Opening fair value of scheme assets	<b>2,353,000</b>	1,852,000
Interest income	<b>63,000</b>	43,000
Actuarial losses	<b>41,000</b>	233,000
Employer contributions	<b>208,000</b>	179,000
Employee contributions	<b>59,000</b>	67,000
Benefits paid	<b>(92,000)</b>	(19,000)
Administration Expenses	<b>(2,000)</b>	(2,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>2,630,000</b>	2,353,000
	<hr/> <hr/>	<hr/> <hr/>

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>Other</b>	Other
	<b>2017</b>	2016
	£	£
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	<b>16,945</b>	21,262
Between 1 and 5 years	<b>-</b>	9,197
	<hr/>	<hr/>
Total	<b>16,945</b>	30,459
	<hr/> <hr/>	<hr/> <hr/>

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

---

**24. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.

**25. GENERAL INFORMATION**

The Haygrove Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Durleigh Road, Bridgwater, Somerset, TA6 7HW.

**THE HAYGROVE ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**26. TEACHING SCHOOL TRADING ACCOUNT**

	2018 £	2018 £	2017 £	2017 £
<b>INCOME</b>				
<b>DIRECT INCOME</b>				
Teaching school grant	60,000		-	
<b>TOTAL INCOME</b>		60,000		-
<b>EXPENDITURE</b>				
<b>DIRECT EXPENDITURE</b>				
Direct staff costs	2,900		-	
Educational Resources	1,372		-	
<b>OTHER EXPENDITURE</b>				
Other staff costs	27,354		-	
Other costs	1,146		-	
<b>TOTAL EXPENDITURE</b>		32,772		-
<b>SURPLUS FROM ALL SOURCES</b>		27,228		-
<b>TEACHING SCHOOL BALANCES AT     1 SEPTEMBER 2017</b>		-		-
<b>TEACHING SCHOOL BALANCES AT     31 AUGUST 2018</b>		<u>27,228</u>		<u>-</u>

**27. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

**28. AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent for students through receiving trip income in relation to externally organised trips. In the accounting period ended 31 August 2018 the Academy Trust received £92,737 and distributed £90,383. An amount of £5,237 (2017: £2,882) is included within other creditors relating to payments made in advance of trips.