

Annual Report & Accounts

for the year ended 31 August 2022



Haileybury

Haileybury and Imperial Service College

Annual Report for the Year Ended 31 August 2022

	Pages
Review of the Year	2 - 9
Council's Report	10 - 15
Report of the Auditors	16 - 18
Consolidated Statement of Financial Activities	19
Consolidated Balance Sheet	20
Consolidated Cash Flow Statement	21
Statement of Accounting Policies	22 - 26
Notes to the Accounts	27 - 42
Governing Body	43
Advisers	44

Haileybury and Imperial Service College

Review of the Year Ended 31 August 2022

Introduction

This review highlights the notable achievements of Haileybury pupils and staff in the academic year 2021/2022. The breadth of a Haileybury education is evident when academic, pastoral and co-curricular highlights are brought together in this format. Haileybury provides a rich and individualised balance for each pupil, and the pupil experience is at the centre of strategic and development planning.

Haileybury believes in, and celebrates, partnership and community. Partners benefit when working collaboratively and, most important of all, the young people involved witness the power of teamwork and the personal reward of service to others. The School has provided support to Haileybury Turnford (see public benefit section below), financially and practically, for a number of years and were delighted for them that their progress was recognised by inspection success, paving the way for ambitious future growth. Pupils at both schools have benefitted from this very close relationship. The School's community links with Hertford Heath Parish Council grow ever closer, as do those with our international partners in Kazakhstan, Malta and Bangladesh. The first School in Bangladesh is scheduled to open in September 2023 and a second school is planned.

Pupil numbers in September 2021 were 902 (2020: 878) whilst the percentage of senior boarders remained above 70%. Demand for places at Haileybury has remained very strong with similar numbers projected for September 2023 and a significant increase in enquiries.

Recognising a growing need to support young people in the wake of the pandemic, the School's Wellbeing Centre was opened at the start of the year. The Centre is staffed by a manager, an assistant and three qualified counsellors. Geographically it is located next to the Health Centre and the importance of the regular sharing of information is recognised whilst also keeping the two services completely distinct.

Over the summer of 2022 Haileybury began construction of its new SciTech development which will complete in 2023/2024. It marks the first major project to emerge from the Estate Masterplan.

Academically the pupils have worked hard and deserve the excellent results achieved in public examinations. The integration of the Stan-X science research initiative in collaboration with Stanford University and the promotion of oracy within Lessons have successfully enhanced learning at the School.

Public benefit

Public benefit remains a top priority. In addition to the widening of access through means tested bursary awards the School sponsors a local Single Academy Trust, Haileybury Turnford (HT). To have as great an effect as possible on the education of local young people, Haileybury has maintained the significant financial and practical (in the form of a range of support and services) contributions made as sponsors of HT. Further detail is set out below. Means-tested bursaries at Haileybury continue to form a significant part of the School's commitment to widening access to education.

An important strand of Haileybury's public benefit is the continued sponsorship of HT. Haileybury continues to provide professional expertise in governance at HT, with the Chair of Governors (until March 2022) and the Education Committee both being members of Haileybury staff, while the current Chair of the Finance Committee is a Haileybury parent and current Haileybury Governor. Other senior colleagues, including the Master, sit on HT's Governing Body and its Education Committee.

Haileybury and Imperial Service College

The Senior Leadership Teams at both schools met periodically, taking a strategic lead on the partnership, while support continued to be provided for Year 12 and 13 pupils in their UCAS and Oxbridge applications, with increasing numbers of HT pupils being offered places at Russell Group Universities. Pupils at HT continue to be members of the Haileybury Combined Cadet Force (CCF) including participation in Field Weekends. HT has also benefited from marketing and PR support from Haileybury. The Haileybury Grounds and Gardens staff help with maintenance at HT, making a considerable and appreciated difference to the appearance of the HT site. Haileybury's caterers have supported particularly vulnerable families at HT, with local Food Bank provision.

The most notable development of the reporting period was the successful Ofsted inspection of HT in early March 2022. The overall judgement was 'Good,' with 'Good' achieved in each of the five categories inspected. The Inspectors acknowledged the support of the sponsor, particularly in university guidance and in governance, which was called 'experienced and knowledgeable.'

With pupil numbers at HT increasing, and with the school now 'Good,' the sponsor and HAT are developing a strategy for the next phase of the partnership with confidence.

Outreach activities

Due to Covid, pupils were unable to perform any off-site community action and instead completed an online award. Charitable activity was wide-ranging, with the principal beneficiaries being Haileybury Youth Trust (working with Ugandan youth), and Cardiac Risk in the Young (CRY), in memory of a former pupil. Charitable organisations were welcomed to Chapel, including the Isabel Hospice, the Hertfordshire Rotary Club, Hertfordshire Chorus, ABF the Soldiers' Charity as well as local schools. The School hosted a large-scale, public performance of Elgar's *Dream of Gerontius*, accompanied by the Hertfordshire Philharmonic Orchestra, as well as the High Sheriff's Concert, which attracted community choirs and members of the Haileybury community. This concert raised funds for local charities and voluntary organisations. The Chapel hosted a concert by the Band of the RAF Regiment, while other fundraising events included a Jazz Night for the Isabel Hospice. Music and drama collaborated in a sold-out public production of *The Drowsy Chaperone* at Hertford Theatre, while other drama productions, staged at school, also attracted large audiences.

Clubs and associations made use of the School's facilities and estate, with Barracudas, Saracens Academy and Tottenham Hotspur all holding camps on site. Several schools and clubs also used the facilities for regular training, fixtures and festivals. Haileybury also hosted festivals in rugby, cross-country and indoor hockey as well as the International Association of Prep Schools (IAPS) national hockey finals.

The Haileybury Lecture Series enriched the School's co-curricular offering and provided the wider community with an opportunity to hear from distinguished academics and public figures, including The Rt Hon Dominic Grieve; former Government Chief Scientific Adviser Prof Sir Mark Walport and Prof Sir Mike Stratton, Director of the Wellcome Sanger Institute.

Safeguarding and wellbeing

The increase in youth mental health concerns post pandemic has continued to be reflected in the numbers seeking support through the Wellbeing Centre and/or the Counselling service and Educational Mental Health Practitioner (NHS provision). The School continues to support pupils who have mental health issues. A self-harm protocol policy has been written to ensure consistency in dealing with the more serious concerns.

Haileybury and Imperial Service College

In November 2021 the School commissioned an external expert to conduct an external review of its Safeguarding practices. She found the School to be compliant in all areas, and provided a series of recommendations for further improvement.

Pupils are surveyed on a three-weekly basis and asked to consider their mental wellbeing, physical health and then a specific (and different each time) question related to wellbeing: questions this year have included reference to sleep, diet, loneliness and screen time, as a way of enabling the pastoral teams to consider any issues or trends.

The new Wellbeing Centre has proven a popular and useful resource for pupils and staff. A review of the first year of operation is underway and appropriate adaptations and improvements will be made ahead of the new academic year.

In May 2022 the School was awarded the Wellbeing Award for Schools by Optimus Education in conjunction with the National Children's Bureau. This award was the culmination of nearly two years' work reviewing the School's wellbeing practices and procedures. A significant change this year has been the introduction in January 2022 of the TeenTips Wellbeing Hub for Schools which provides a platform of resources, training and advice / support for pupils, parents and all staff. A comprehensive programme of pastoral CPD is available to all teaching staff, and matrons are all to be trained in Youth Mental Health First Aid before the summer break.

A Head of Wellbeing (PSHE) has been appointed and a full review of the PSHE and RSE curriculum is underway in advance of the new academic year. From September 2022 all pupils in years 7-10 will have 2 periods of Wellbeing in their timetable (an increase from 1 period), Fiftths will continue to have 1 period, and a formal teaching period for Lower Sixth pupils has been introduced also. Classroom teaching will be complemented by the tutorial and assembly programme and a programme of external speakers. This latter provision will extend to the Upper Sixth also.

Academic

At GCSE, a third of all grades were awarded at grade 9; 60% of grades were awarded at 9/8 (A*) with 84% of grades awarded at 9/8/7 (A*-A). This represents the highest proportion of grades awarded at the top level in the School's history. Twelve pupils secured straight A*/9 grades.

Haileybury pupils achieved an average score of 39 for the International Baccalaureate Diploma Programme – the equivalent of A*AAA at A level. This average points score is the joint highest in the School's history, with a markedly larger cohort in 2021. IB pupils secured places at universities in over ten different countries, which demonstrates the international outlook of the School's pupil body.

A-level pupils were awarded the best grades in the School's recent history, with 70% of grades awarded at A* or A, and over 90% of grades awarded between A* and B.

The results mean that three quarters of all grades achieved by Sixth Form pupils this year were at A or A* level, or equivalent, and 95 % of all Sixth Form grades were A*-B.

As of September 2020, nearly 100% of the pupils have a pathway beyond school that is of their choice. The vast majority (95%) have enrolled in a university of their choice, including Oxford and Cambridge; 72% of all UK university admissions have been to a Russell Group University. Those pupils who have not attended university this year are either taking gap years or have progressed into apprenticeships or the world of work.

Curriculum 2025 has been further implemented this year, which promises to bring an exciting, innovative and intellectual dimension to the learning of the pupils. This has focused primarily on the delivery of the curriculum to pupils in LS1-Removes. Equally, a curriculum collaboration with Oracy

Haileybury and Imperial Service College

Cambridge has been launched: this will see the School actively promote voice and communication within lessons. Pupils continue to be involved in Stan-X, a collaborative research project that sees them working with Stanford University in California as well as the University of Oxford. The School also welcomed one teaching Fellow from Princeton this year as links continue to be established with the university.

Sport

The first term of the academic year saw cricket remain a central part of the provision throughout September with several excellent matches to be enjoyed in the early autumn. U12 boys won the county cup in this period and thus qualified for the national stages of the competition. The opportunities for sport were illustrated keenly on a September day early in the year, when a record of 34 matches took place on one afternoon, including cricket, girls' football, lacrosse, 17 hockey matches and 14 rugby matches. Girls' hockey and boys' rugby were the flagship sports in the first term and records were broken in terms of both results as well as participation levels. Rugby fielded 14 teams and the girls' hockey regularly had over 20 sides playing. The U16 boys finished their rugby season having never lost a game in their time in middle school, and both the U14A and U14C won every game on a top circuit, including Bedford, Oundle and Whitgift. U15 boys reached the national last 16, losing out on a place in the quarter finals by just 1 point. The 1st XV were a young side, with predominantly L6, one of whom was selected for England U17.

Girls' hockey qualified for the East finals at every age group (U13, U14, U16) and the 1st XI went on to make it to the national last 4, missing out in nail-biting fashion in the semi-final, 5-4. Two of the girls who have been with the school for many years have been selected for England honours.

In the Spring term, the swimming team made it to the county final at every age group, a feat never achieved before, and the senior girls defended their county league crown. The netball teams were outstanding and the U15A, U14A, B and C all recorded undefeated seasons on tough circuits. Both quality and participation were evident in the season enjoyed by the C team, of course. Boys' hockey junior and senior sides both made the East finals, to emulate the girls' efforts, but both narrowly missed out on the national finals. On the football field, the U15 boys made it to the ISFA national cup quarter final, losing 2-1 to Eton in extra time. U14 boys shared ISFA Southern league victory with Epsom having had a fabulous campaign on a tough circuit.

In the summer weeks, U13 boys' cricket had a cup run taking them to the last 16 in the country. U15 went one round further and made it to the last eight schools in the land, and the 1st XI boys added to the success ending their cup run as one of the top 16 teams in the country too, narrowly losing by just 7 runs to Whitgift.

Girls' cricket has been fully, successfully and wonderfully launched across years 7, 8 and 9 and this adds hugely to the summer provision. Earlier this term in early May, a school record of 24 matches took place on one Saturday for cricket. The U15A tennis girls were undefeated and one athlete has made it to the England Schools' javelin final.

In addition, successful continuation of sports such as basketball, girls' football and badminton affords additional opportunities aplenty. Similarly, with the sustained success of the ski team again making the nationals stages, the School has over 15 sports offering top competition throughout the year in well over 1200 fixtures.

On an individual level, Maddi Beard has represented GB U17 Fencing; Fiona Roberts was picked for the U21 Wales Lacrosse squad; Ihki Osebor for the England U17 Rugby Development Group; Scarlett Spavin and Tabitha Collier have been involved in England U18 hockey; William and George Wilson were selected for the ESSKIA boys' squad; Harry Seagrave and Danyaal Khalid played against each

Haileybury and Imperial Service College

other at Lord's for England Schools and HMC schools respectively; Drake Hadeed has been playing for Antigua U20 Football in their Olympic and World Cup Qualifying campaign; Flynn Jennings won the Jim Dear Cup as U15 National Singles Rackets Champion; Megan Saywell has qualified for England Schools' Athletics for the javelin.

Music

The growth and quality of music-making continues apace. Forty percent of all pupils learn at least one instrument, with a major initiative advanced in the past year to enable all Lower School pupils to have trial lessons on an instrument of their choice. It is an important part of the strategic aims of the department that 'music for all' and provision for advanced musicians carry the same weight.

Major concerts showcased the vibrancy of orchestral playing at the School, including a standout performance of Vaughan Williams' *The Lark Ascending* at the Spring Concert. A new partnership between the School and the Southbank Sinfonia will see pupils benefit from regular masterclasses and performance opportunities alongside this premier London ensemble. The choral programme gained national recognition in March when the Lower School choir came second in the Barnardos National Choral Competition.

As a vital expression of our common life, choral music often marks important moments with great beauty. The Chamber Choir's performance at the Ash Wednesday service, where prayers were said for the conflict in Ukraine, proved particularly profound. A quite brilliant Jazz and Popular Music Gala concert in February proved the development of a progressive approach to the music provision. Six pupils undertook diploma examinations throughout the year, the largest number for many years, and a fundraising project, established to celebrate the 25th anniversary of the Chapel's Klais organ, will supply a new choir organ in the chancel of the Chapel. A new Deputy Director of Music was appointed, completing an important part of the staffing review, and there was a successful review of peripatetic pay.

Drama

The drama department has had an eventful and successful year with the welcome return to unrestricted performance and the production of four great shows with typically high standards. Lower School pupils charmed audiences with two outstanding performances: *Hetty Feather* was a spectacular show, staged in a big top, featuring circus skills, physical theatre, acting and song last autumn; and a joyous production of *The Worst Witch* showcased the Lower School's considerable talents this summer. They are an enthusiastic, talented and creative cohort who represent a very bright future for drama and performance at Haileybury.

Pupils from the upper school delivered an excellent performance of *The Visit* by Friedrich Dürrenmatt, a challenging comic-tragedy with powerful themes, featuring stand-out performances from Jay Shah, Siena Westcott-Toi and Tazwaar Ahmed.

The School was delighted to welcome Miss Emma Denly to the team this year who has made a fantastic contribution to the department already, not least with her stunning directorial debut of Seamus Heaney's *The Burial at Thebes*. Pupils from Removes and Middles were brilliantly directed and expertly staged in this powerful re-telling of Sophocles' *Antigone*.

Pupils in LAMDA have thrived, with two successful show-case events and no less than four rounds of examinations, many of which have been passed at distinction level. Lamda is now housed in a newly refurbished performance block, including an excellent dance studio and rehearsal space. Exciting plans are already underway for further shows, masterclasses, theatre visits and workshops next year, alongside the return of House Drama and the exciting appointment of a Director in Residence.

Haileybury and Imperial Service College

Art

The Art School continues to run a range of bespoke workshops provided both by its Art Fellow and by the subject specialists in the department. The addition of a new printmaker to the team has allowed younger pupils to explore different ways of working in print which has pushed their ideas in new and exciting directions. Pupils continue to respond really well to the advice and feedback provided by the Art Fellow and their skills have flourished under his care. The Art School has increased the co-curricular offering and more Lower School pupils are making the department a second home, regularly attending outside of lessons to complete work and extend their learning. Increasing the provision of extra workshops and opening every day has resulted in a greater amount of work being produced, the continual busyness has created a wonderful atmosphere.

In September, a new ceramics area was created in the Art School which has resulted in an increase in the number of pupils working in clay. Removes Pathway pupils, in particular, have fully explored this new media and the Academic Extension Programme has allowed pupils to use the pottery wheels to create hand-thrown bowls and pots.

Lower Sixth pupils have developed their technological skills with the iPad this year, installing Procreate on their iPads has enabled them to quickly explore compositions and ideas which has improved and developed their practical work. Alongside this, pupils continue to develop their proficiency in a wide range of media. The Sixth Form pupils continue to benefit from working in their own individual spaces and have used them to create a diverse body of work. From paintings on a range of unusual surfaces to plaster casts and artist books.

The wider contextual understanding of pupils' has been developed by trips to the Henry Moore Studio & Gardens, The Tate and The RA. Supporting this, The Whistler Society has run a series of film evenings following lectures on artists on whom the films are based. These have been well attended and the popular evenings have been held in The Wellbeing Centre. Additionally, The Whistler Society has organised skill-based workshops looking at portraiture and ceramics that have been open to all sixth-form pupils.

Virtual exhibitions were popular amongst staff, pupils and parents last year and have remained this year. The virtual work has been supplemented by exhibiting pieces in the registry and the art school entrance hall. The investment of purpose-built display boards now offers the flexibility to display work anywhere around the school. Speech Day 2022 will be the first event in which these are used to create pop-up exhibition spaces.

The Art School hosted the annual Rugby group meeting for art Heads of Department. The meeting was well attended and an opportunity to showcase the department. The department was well received and the visitors commented on the "delightful" pupils that showed them around. The visitors also took part in an artist-led workshop focusing on supporting weaker pupils. The day provided an opportunity to discuss best practice and offered ideas for new approaches, particularly in regard to the delivery of KS3 teaching.

Combined Cadet Force (CCF)

In the main, the contingent was able to function more or less normally after the significant restrictions of Covid in the previous year. The sections were well-resourced in terms of staff and cadets though the Navy section remained low on numbers in comparison. Dr Duffy was a welcome addition to the RAF adult team whose experience as an air cadet added value to the training programme. As the year went on, he took more and more of a leading role. He and Dr Aurora-Smith were successful in achieving a commission and by the summer term Pilot Officer Duffy had taken over the running of the

Haileybury and Imperial Service College

RAF section. The October field training was successful and the decision to do away with the Sunday training was seen as popular both for staff, pupils and parents. The paintball guns and new air rifles purchased in the previous year were woven into this year's training programme to great effect. Staff training remains an important part of CCF development; this year Major Seccombe and Capt Johns both qualified as Skill at Arms Instructors after a very demanding weeklong course and Lt Webb gained an all-important range qualification adding more value, scope and flexibility to the resourcing for the cadets' training.

Conservation work

Beekeeping continues to attract a healthy number of pupils which has allowed the apiary to be tidied up and the bee colony that was lost over the winter months to be replaced. Three new colonies have been added, one being a swarm that was captured in a garden on Hailey Meadow, which brings the total under the School's management back to four.

The Queen's Commonwealth Forest Canopy project has progressed nicely and around 75 acorns that were collected from Lightning Oak have germinated. These have progressed to the small sapling stage and will be offered in September to anyone that wants to plant a tree as part of the Forest Canopy project to mark the Platinum Jubilee.

Haileybury overseas

Haileybury currently has two international partner schools, both in Kazakhstan. Haileybury Almaty opened in 2008 and Haileybury Astana opened in 2011. Both schools operate from Kindergarten to Year 13 and offer IGCSEs. In the Sixth Form, Haileybury Almaty offers A-level courses and Haileybury Astana offers the IB Diploma Programme. Both schools are fully accredited members of the Council of British International Schools (COBIS).

There are plans to open Haileybury schools in other countries. Contracts have been signed to support new schools in Malta and Bangladesh. Haileybury Bhaluka (Bangladesh) plan to open in September 2023 with a limited number of lower secondary classes and will eventually become a school for boys from eleven to eighteen years of age. A second school in Bangladesh, for girls, has also been discussed.

Haileybury estate

The SciTech project to deliver science teaching and research facilities began over the summer for delivery in Autumn term of 2023. It is an exciting example of how the Masterplan has led the School to develop its estate for the benefit of current and future young people whilst remaining sympathetic to its heritage.

A considerable number of projects were completed on the site over the summer. This includes the refurbishment of Hailey House; the creation of a new entrance into Batten House.; external works on the Chapel to stop the long standing water ingress problem; a new artificial sports surface and improved the drainage and irrigation of the sports pitches.

The School will continue to develop its estate in line with the masterplan.

Conclusion

During the pandemic the strength of the wider Haileybury community was an important asset and has emerged with the bonds of mutual support stronger than ever. The School was particularly pleased to be a part of Haileybury Turnford's inspection success.

Haileybury and Imperial Service College

The welfare of the pupils is of prime importance and the School is pleased with the development of its various wellbeing initiatives.

The evidence of the School's success in offering a pupil centred all-round, yet individualised, education lies in the strength of demand for places at the School, which is very high indeed.

Haileybury and Imperial Service College

Council's Report of the Year Ended 31 August 2022

Objects and aims

The object of the charity is to carry on and maintain the School. This may be pursued by operating one or more schools and by making grants in support of one or more schools, provided those schools are connected with Haileybury.

It is the aim of the School to ensure that every pupil maximises his or her academic potential.

In addition, the School provides an exceptionally diverse co-curricular programme which aims to build self-discipline, awareness and self-confidence, a desire to contribute to the local community, wellbeing, concern for others and to instil in pupils the importance of service.

The School supports the pupils' wellbeing through a clear pastoral framework and dedicated resources.

The future plans of the School are referred to throughout the Review of the Year and Council's Report.

Structure

Haileybury and Imperial Service College was established under a Royal Charter of Incorporation dated 30 August 1864, to run as a place of education. The School is in the process of updating the Royal Charter.

It is registered as a charity, number 310013. "Haileybury" is recognised in the current Charter as the informal name of Haileybury and Imperial Service College.

Haileybury Enterprises Limited (HEL) is a company wholly owned by Haileybury, which is responsible for the management of trading activities that do not come directly within the terms of the Charter but which are undertaken for the ultimate benefit of the School.

The principal activities of the company are residential lettings, sports complex lettings, overseas educational advice and consultancy, construction and property dealings.

Governance

Under the current Charter, the School has a two-tier structure of governance comprising a full Board of Governors and an elected Council.

The members of Council are elected by the Governors. By the terms of the Charter, the affairs and property of the corporation are under the conduct, management and control of Council whose members are the Charity Trustees within the meaning of section 97(1) Charities Act 2011 namely "the persons having the general control and management of the administration of a charity". The members of Council are listed on page 43.

All Governors are therefore members of the Corporation, however it is only the members of Council who are the Charity Trustees within the definition of section 97(1).

Haileybury and Imperial Service College

The Members of the Council give very generously of their time and efforts to help guide the School. Their varied and relevant professional expertise is wide ranging and complements the skills and experience of the executive team running the School on a day-to-day basis.

The President is the Bishop of the St Albans Diocese, within which the school is situated. The Chairman and the Chairman of the Nominations and Governance Committee are elected by the Governors and hold office for a period of three years. The Treasurer is appointed by Council and is ex-officio Chairman of the Finance and General Purposes Committee. Candidates for election to Council are identified by the Nominations and Governance Committee set up for this purpose.

New members of Council are introduced to the workings of the school during an induction visit involving the Master, the Bursar and other senior staff relevant to their particular area of expertise. An induction training session is also provided to new members by the Bursar and Deputy Bursar. Members of Council attend external and internal training courses and seminars on an ongoing basis.

Meetings and committees

The Charter delegates the oversight of the School to the members of Council, who in turn delegate the day-to-day management to the Master who is supported by the Senior Leadership Team. Day-to-day matters concerning the administration of the charity are delegated to the Bursar. The Master and the Bursar are the key management personnel.

The Board of Governors meets annually. Council meets four times a year in addition to attending an annual Strategy Day. Council has appointed a number of committees as set out below (all committees and Council meet additionally as required):

- Nominations and Governance Committee – meets termly
- Finance and General Purposes Committee – meets four times a year
- Education Committee – meets termly
- Safeguarding and Wellbeing Committee – meets termly
- Estate Committee – meets termly
- Investment Committee – meets twice a year
- Audit and Risk Committee – meets termly
- Development Committee – meets termly
- International Committee – meets termly
- Remuneration Committee – meets twice a year

Membership of these committees is given on page 43. Other committees are formed by Council from time to time for specific purposes and disband on completion of their work.

In addition to the committees listed above the following Governors have special responsibilities:

- Rev Canon S Harvey– Safeguarding Lead Governor
- Dr A Drewett - Health and Safety Liaison Governor
- Mr G Ellison – Policies Liaison Governor
- Mr C Sherwood – Teaching Staff Liaison Governor
- Mr N Gilbert – Support Staff Liaison Governor
- Mr S Westley - Haileybury Turnford Liaison Governor

Remuneration for senior staff and any whole staff pay award is agreed by Council, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and

Haileybury and Imperial Service College

responsibly individual contributions to the School's success. Due regard is also given to the external market.

Advisers to the School are all specialists in the education and charity sector and give advice as required. The Advisers are set out on page 44.

Financial review of the year and future plans

The Consolidated Statement of Financial Activities shows a net surplus from operations of £1.2m (2021 surplus £1.2m). After realised and unrealised losses on investments the net movement in funds for the year was a deficit of £1.0m. As a result, consolidated total funds decreased to £61.5m (2021 £62.5m).

Haileybury takes its public benefit responsibilities seriously. In addition to the direct and indirect financial support provided to Haileybury Turnford, means-tested fees assistance of £1.0m was provided (2021 £0.8m).

Additional fees revenue was generated from the increase in pupil numbers. Additional physical and human resource were invested in the School's wellbeing provision whilst also providing for significantly increased insurance, energy and national insurance costs. In addition, costs increased significantly due to resumption of normal activities for a full year (catering, cleaning, events etc.).

The majority of income from the trading subsidiary (Haileybury Enterprises Limited) came from the School's two partner schools in Kazakhstan. A new school in Bangladesh, Haileybury Bhaluka, is expected to open in September 2023. The Haileybury summer school was launched which, based on current advance bookings, is set to make a strong contribution in summer 2023.

During 2022/2023 the capital investment focus will be to bring the SciTech project close to completion. At the same time, mindful of inflation, particularly energy, all budgets will be kept under strict review. The School will also invest in the establishment of a sustainability strategy and development plan to reduce its use of fossil fuels and investigate avenues for on-site energy generation. Cost control is of paramount importance and the school strives to maximise the value obtained from all expenditure.

The principal funding source for the charity is fee income which amounted to £26.9m (2021 £23.4m). In 2021 turnover was affected by fee reductions offered during the time the School was closed due to Covid.

Assets

Excluding cash held within the investment portfolio, cash at bank at the year-end was £8.0m (2021 £11.1m) after purchase of capital additions of £5.4m (2021 £4.9m). Cash flow is actively managed and debt collection procedures are effective. As in all independent schools receiving fees three times a year, the year-end position represents the highest point in the cash cycle. The lowest point is approximately £5.5m lower than the year-end balance.

During the year the school invested £5.4m in fixed assets of which £3.1m was work-in-progress. Note 15 (pages 38-41) to the accounts shows the allocation of assets to the various funds.

As mentioned, construction of the SciTech project began in July 2022. It is a £19.5m development to provide cutting edge science teaching and research facilities. The inclusion of research facilities at a school is unusual, and will provide Haileybury pupils, and those of Haileybury Turnford, with unrivalled opportunities to study at a higher level. The building is planned to open around the end of

Haileybury and Imperial Service College

2023. The building is financed by unrestricted cash reserves, a five-year Revolving Credit Facility (RCF) from Barclays and the use of a proportion of the School's invested endowment.

The project to repair and refurbish the Chapel continued through the year. The dome and roofing structure has been fully repaired and the plasterwork removed to allow the building to dry before redecorating takes place.

In addition to the usual round of teaching space refurbishment, the School benefitted from a resurfaced artificial sports pitch and extended drainage to XX Acre. A new entrance to Batten now looks out on to Pavilion and a significant amount of work was completed in Hailey and Allenby houses as well.

Fundraising performance

During the year the School was fortunate to receive significant voluntary funding of £0.7m (£0.3m in 2021).

The Development Director, reporting to the Master, leads on fundraising activity.

The trustees recognise the importance of maintaining the highest standards of practice and care in relation to fundraising activities. The School keeps donors informed through regular updates with all fundraising activity carried out by School staff. The School does not actively solicit financial support from members of the general public.

Investment powers, policy and performance

Investment powers are governed by the School's Charter and individual Trust Deeds. Haileybury aims to balance the needs of current and future pupils for whom the endowed and restricted funds are held. As a result, the majority of funds are invested to maximise total return (aggregate of income and capital growth). Income is drawn prudently according to an agreed formula that preserves capital whilst providing sufficient funds for current beneficiaries.

Investment income in 2021 was £362k (2021 £342k). Realised and unrealised investment losses amounted to £2.2m (2021 gain £3.6m).

The performance of the investment managers is monitored by the Investment Committee with the appropriate indices being used as a benchmark. The performance of the funds over the period has been broadly in line with the relevant benchmark.

The Composition of Fees Scheme, which provides for the payment of fees in advance, is segregated from the other funds of the School. This fund is invested so that the maturation profile is in line with the related liability to provide schooling in future years; the analysis of future liabilities is shown in note 14 (page 37).

Reserves policy

As at August 2022 the School held Unrestricted Funds of £40.2m (see note 15). Free unrestricted reserves (which exclude the value of fixed assets) are negative £2.9m. Negative free reserves are common in the accounts of independent schools. The Governors have reviewed the level of funds held and have concluded that they are appropriate to meet future plans.

The school holds endowed funds of £19.7m and restricted funds of £1.6m. Please refer to note 15 on pages 38-41 for further information regarding the various funds.

Haileybury and Imperial Service College

Having reviewed the funding options available to the School together with the expected ongoing demand for places and the School's future projected cash-flows, Council has concluded that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting Policies on pages 22 to 26.

Principal risks and uncertainties

Council is responsible for ensuring there are risk management processes identifying the major risks and ensure that, where possible, they are managed. Council delegates the detailed oversight of risk to the Audit and Risk Committee who, together with the senior leadership of the School, and the other committees, consider the risks and grade risks for the likelihood of their occurrence and the possible impact should they occur. For the risks identified, the existing systems to manage those risks are scrutinised. In each case, the individuals responsible for implementing the procedures and for keeping them under review are identified with regular reports back to Council. For the major risks identified, Council has taken steps to ensure these risks are managed.

A reduction in pupil numbers is a principal risk faced by the School. This is actively managed by considering factors which may lead to a reduction in pupil numbers and taking remedial action where necessary. The success of recruitment despite the pandemic highlights the success of this strategy.

A risk for all schools to manage is the safeguarding of pupils. There are robust policies in place relating to child protection and there is a sub-committee of Council which has specific oversight of welfare and safeguarding.

Health and Safety is also a significant area for risk management and the Health and Safety Manager reports to the Finance and General Purposes Committee on a regular basis. A member of Council takes a special interest in Health and Safety.

Accounting and reporting responsibilities

Council is responsible for preparing Council's Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires Council to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law, Council must not approve the Financial Statements unless it is satisfied that they give a true and fair view of the state of affairs of the charity and of its Net Incoming Resources for that period. In preparing these Financial Statements, Council is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable 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 charity will continue to operate.

Council is responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of

Haileybury and Imperial Service College

the Charity and enable them to ensure that the Financial Statements comply with the Charities Act 2011.

Council is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by Council on 8 February 2023 and signed on its behalf by:



A J T Pilgrim
Chairman of Council



R P Munn
Treasurer

Haileybury and Imperial Service College

Report of the Auditors

Opinion

We have audited the financial statements of Haileybury and Imperial Service College for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 August 2022 and of the group's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Council is responsible for the other information. The other information comprises the information included in the Council's Report. 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.

Haileybury and Imperial Service College

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Council for the financial statements

As explained more fully in the Council's responsibilities statement set out on page 14, the Council members 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 Council Members 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 Council members are responsible for assessing the group's and the parent charity'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 Council either intends to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

Haileybury and Imperial Service College

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and concluded that the risk was low. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates; and
- Review of minutes of meetings held in the year.

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

Use of our report

This report is made solely to the charity's Council, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Council those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Council as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP.

Haysmacintyre LLP
Statutory Auditors

21 February 2023

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Haileybury and Imperial Service College

Consolidated Statement of Financial Activities

for the Year Ended 31 August 2022

	Notes (pages 27-42)	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2022 £'000	Total 2021 £'000
Income and Endowments from:						
Charitable Activities						
School fees receivable	1	26,868	-	-	26,868	23,434
Ancillary trading income	2	692	-	-	692	715
Other Trading Activities						
Non-ancillary trading income	3	1,329	-	-	1,329	1,803
Investments						
Investment income		50	262	50	362	342
Bank and other interest		3	-	-	3	10
Voluntary Sources						
Grants and donations	4	<u>273</u>	<u>697</u>	<u>-</u>	<u>970</u>	<u>588</u>
Total Income		29,215	959	50	30,224	26,892
Expenditure on:						
Raising Funds						
Non-ancillary trading	3	168	-	-	168	231
Financing costs		15	-	-	15	9
Investment management		2	3	111	116	96
Fundraising		<u>174</u>	<u>-</u>	<u>-</u>	<u>174</u>	<u>104</u>
Total Cost of Raising Funds		359	3	111	473	440
Charitable Activities						
Education		<u>28,521</u>	<u>(1)</u>	<u>52</u>	<u>28,572</u>	<u>25,196</u>
Total Expenditure	5	<u>28,880</u>	<u>2</u>	<u>163</u>	<u>29,045</u>	<u>25,636</u>
Net Income/(Expenditure) from Operations before Transfers and Investment Gains						
		335	957	(113)	1,179	1,256
Gains/(Loss) on investments	10	<u>(61)</u>	<u>(68)</u>	<u>(2,096)</u>	<u>(2,225)</u>	<u>3,653</u>
Net Income/(Expenditure)		274	889	(2,209)	(1,046)	4,909
Transfers between funds	8	<u>252</u>	<u>(595)</u>	<u>343</u>	<u>-</u>	<u>-</u>
Net Movement in Funds for the Period						
		<u>526</u>	<u>294</u>	<u>(1,866)</u>	<u>(1,046)</u>	<u>4,909</u>
Fund balances brought forward at 1 September 2021		<u>39,702</u>	<u>1,253</u>	<u>21,596</u>	<u>62,551</u>	<u>57,642</u>
Fund Balances Carried Forward at 31 August 2022	15	<u>40,228</u>	<u>1,547</u>	<u>19,730</u>	<u>61,505</u>	<u>62,551</u>

All of the above income and expenditure relates to continuing activities.

Haileybury and Imperial Service College

Consolidated Balance Sheet

As at 31 August 2022

		Consolidated		Charity	
	Notes (pages 27-42)	2022 £'000	2021 £'000	2022 £'000	2021 £'000
FIXED ASSETS					
Tangible assets	9	43,394	39,651	43,394	39,651
Investments	10 & 14	20,605	22,736	20,606	22,737
		63,999	62,387	64,000	62,388
LONG-TERM ASSETS					
Debtors receivable after one year	11	682	726	682	708
CURRENT ASSETS					
Stocks		165	156	165	156
Debtors	11	2,784	1,968	2,589	1,556
Cash and deposits		7,994	11,134	7,763	10,148
		10,943	13,258	10,517	11,860
CURRENT LIABILITIES					
Creditors payable within one year	12	(13,958)	(13,364)	(13,973)	(12,985)
NET CURRENT ASSETS/(LIABILITIES)		(3,015)	(106)	(3,456)	(1,125)
TOTAL ASSETS LESS CURRENT LIABILITIES		61,666	63,007	61,226	61,971
LONG-TERM LIABILITIES					
Creditors payable after one year	13	(161)	(456)	(161)	(456)
NET ASSETS		61,505	62,551	61,065	61,515
ENDOWED FUNDS	15b	19,730	21,596	19,730	21,596
RESTRICTED FUNDS	15d	1,547	1,253	1,547	1,253
UNRESTRICTED FUNDS	15e				
Designated funds		1,796	2,380	1,356	1,344
General funds		38,432	37,322	38,432	37,322
TOTAL FUNDS		61,505	62,551	61,065	61,515

Approved by Council on 8 February 2023 and signed on its behalf by:



A J T Pilgrim
Chairman of Council



R P Munn
Treasurer

Haileybury and Imperial Service College

Consolidated Cash Flow Statement

for the Year Ended 31 August 2022

	Notes (pages 27-42)	2022 £'000	2021 £'000
Net cash inflow from operations			
Net cash provided by operating activities	16	2,138	2,915
Cash flows from investing activities:			
Payments for tangible fixed assets	9	(5,418)	(4,930)
Payments to acquire investments	10	(6,902)	(8,570)
Proceeds from sale of investments	10	12,298	8,761
Investment managers' fees	10	(116)	(96)
Investment income and bank interest received		<u>365</u>	<u>352</u>
Net cash used in investing activities		<u>227</u>	<u>(4,483)</u>
Cash flows from financing activities			
Finance costs paid		(15)	(9)
Finance lease rentals		<u>-</u>	<u>-</u>
Net cash used in financing activities		<u>(15)</u>	<u>(9)</u>
Change in cash and cash equivalents in the reporting period		2,350	(1,577)
Cash and cash equivalents at the beginning of period		11,821	13,398
Cash and cash equivalents at the end of the reporting period	17	<u>14,171</u>	<u>11,821</u>

Note: Cash held by the investment managers increased by £5.6m to support the funding of the SciTech project.

Haileybury and Imperial Service College

Statement of Accounting Policies

for the Year Ended 31 August 2022

Principal accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), The Charities Act 2011 and the 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 (FRS102) (2nd edition) - effective 1 January 2019.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

Basis of consolidation

The Charity figures in these Financial Statements include the accounts of the College Unrestricted Fund, Other Unrestricted Fund, Scholarships & Bursaries Funds, (including Haileybury Charitable Trust, HCT), Special Fund, Composition of Fees Scheme and the Imperial Service Endowment (ISE). Any interfund balances have been eliminated.

The consolidated Financial Statements incorporate the Financial Statements of the College and its trading subsidiary (HEL). Intra-group sales and profits are eliminated on consolidation.

Haileybury, acting by Council, are the Trustees of the ISE.

Going concern statement

Having reviewed the funds available to the School together with the expected ongoing demand for places and the School's future projected cash flows, Council has reasonable expectation that the school has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

Key judgements and sources of estimation uncertainty

In the application of accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in material adjustment to their carrying amounts in the next financial year.

Incoming resources

Tuition fees

School fees receivable represent amounts receivable for educational services provided. Charges for services and use of premises are accounted for in the period in which the service is provided.

Haileybury and Imperial Service College

Donations

Donations received for the general purposes of the College are credited to Other Unrestricted Funds, to distinguish them from direct College income. Donations subject to specific wishes of the donors are carried to relevant Restricted Funds or to Endowed Funds where the amount is required to be held as permanent capital.

Trading income

Ancillary and non-ancillary trading arising from the sale of goods or the provision of services is recognised in the period in which the goods are delivered or the service is provided.

Income from other sources

Other income, including investment income, is recognised on a receivable basis.

Resources expended

Expenditure is accounted for on an accruals basis. Certain expenditure not directly attributable to particular functional activity categories are apportioned on the basis of management estimates of the amount attributable to the activity in the year, by reference to staff time or usage. The irrecoverable element of VAT is included with the item of expense to which it relates.

Expenditure on raising funds includes the expenditure of the trading subsidiary Haileybury Enterprises and costs incurred in raising voluntary resources and finance costs.

Charitable Activities include costs related to teaching, welfare, premises, support, awards and prizes. All department costs which assist the primary objective of the college, being the provision of education, are included in the support category.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, audit and any legal advice for the Governors, and all costs of complying with constitutional and statutory requirements.

Unrestricted Funds

Unrestricted Funds are those funds which are freely available for use in accordance with any of the College's objects. They also include funds in the Composition of Fees Scheme but these are segregated to ensure that future obligations can be met.

Designated Funds

Designated Funds represent certain funds set aside from Unrestricted Funds by Council for specific purposes.

Restricted Funds

Restricted funds are monies received on trust for use in furtherance of a specific purpose determine by the donor. Restricted Funds include restricted monies raised from fundraising efforts for specific projects and the Special Fund. The Special Fund is of subsequent creation and ancillary to the main purpose of the

Haileybury and Imperial Service College

College, to provide for a variety of purposes such as improvement in the fabric of a specific area, new equipment or memorial prizes and travel awards.

Investment income arising from the College's endowment funds, other than those funds which are accounted for under Total Return, is credited to restricted funds to be applied in furtherance of the purposes of the endowments.

Endowed Funds

Endowed Funds principally represent the current valuation of the original capital of ISE which was adopted as a special trust of Haileybury on 31 July 2000 under the terms of its existing trust deed. Council, as trustees of ISE, have the income available to make grants in accordance with the existing Trust deed.

In addition, HCT represents funds permanently set aside to provide scholarships and bursaries.

Any investment gains or losses on these funds are applied to the original endowment.

Total return investment accounting ("total return")

A Charity Commission Order dated 21 October 2012 authorises the College to adopt a 'total return' basis for the investment of its permanent endowment. Under the Total Return Order, the College can invest its permanent endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. The College has adopted Total Return for the ISE endowment fund represented by three portfolios held by separate fund managers.

The original endowment was identified on adoption of Total Return and its real value is protected by means of indexation in relation to the Retail Prices Index on an annual basis. The remainder of the fund balance is recognised as unapplied total return. Council has determined that no more than 50% of the unapplied total return should be made available for application in any one year. Funds are transferred from the unapplied total return in furtherance of the College's objects on a case by case basis, with all such transfers approved by Council.

College buildings and equipment

Capitalisation and replacement

The original College land and buildings are carried at original purchase cost together with subsequent improvements as the Council consider it is not appropriate to apply a modern value to such property. The College is responsible for keeping these properties in fit and useful condition and these costs are written off as incurred, except where the expenditure provides an enhancement of the economic benefits of the asset or where a separately depreciating component of a tangible asset is replaced or restored.

Nonmaterial items are written off as expenditure upon acquisition.

Depreciation

Depreciation is applied to all of the College's fixed assets apart from land, which is considered to have an indefinite useful life. Depreciation is provided at rates to write off the excess of cost over estimated residual amount over their estimated useful lives as follows:

Haileybury and Imperial Service College

Freehold buildings	50 or 100 years
Organ and piano (included in equipment and machinery)	50 years
Fixtures and fittings	5 - 10 years
Equipment and machinery	4 to 10 years
Vehicles	4 or 5 years
Educational equipment	5 years
Electronic equipment	4 years
IT and computers	3 - 5 years

An impairment review has been carried out on those assets with an estimated useful life of over 50 years and the Council is satisfied that having considered both realisable value and value in use their value has not been materially impaired.

The current threshold for the capitalisation of expenditure is £1,500.

Investments

Financial investments are stated at fair value, which is the bid price at the balance sheet date.

The College's investment in its subsidiary company is stated at cost.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured as amortised with the exception of investments which are held at fair value.

Financial assets held at amortised cost comprise cash at bank and in hand together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end and exchange rate.

Composition of fees

In preparation of these accounts the benefit to parents is assumed to accrue on a straight line basis evenly over the period between receipt of the capital sum and the payment of the final liability.

Pension schemes

The College contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the College by the Scheme Administrator. The scheme is a multi-employer scheme and has been accounted for as a defined contribution scheme because the College's share of the overall scheme assets and liabilities cannot be reliably determined.

The College also contributes to a money purchase pension scheme, administered by the Pensions Trust, for support staff at between 5% and 10% of annual basic pay depending on their role. The College also contributes to some personal pension schemes.

Haileybury and Imperial Service College

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign operating lease are similarly spread on a straight line basis over the lease term.

Leasing agreements, which transfer to the College substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over their lease term to their expected residual values.

Haileybury and Imperial Service College

Notes to the Accounts

For the Year Ended 31 August 2022

1 Charitable Activities - School Fees Receivable

	2022 £'000	2021 £'000
School fees receivable comprised:		
School fees	29,350	25,538
Less total scholarships, bursaries and allowances	(2,588)	(2,191)
	26,762	23,347
Add back: scholarships and bursaries paid for by designated funds	50	43
Add back: scholarships and bursaries paid for by restricted funds - note 5(b)	56	44
	26,868	23,434

Scholarships, bursaries and other awards and allowances were awarded to 253 pupils (2021: 237). Within this means-tested bursaries totalling £1,055,679 were awarded to 59 pupils (2021: £811,143 to 58 pupils).

2 Ancillary Trading

	2022 £'000	2021 £'000
Deposits retained	210	339
Pupil transport charges	234	156
Registration fees	72	82
Other	176	138
	692	715

3 Non-Ancillary Trading

	2022 £'000	2021 £'000
HEL trading income (Note 10a)	820	1,470
Property income	50	39
Sundry sales and recovered costs	448	282
Miscellaneous income	11	12
Total non-ancillary trading income	1,329	1,803

	2022 £'000	2021 £'000
Expenditure of HEL (including gift aid) (note 10a)	1,484	577
Less: intra-group turnover, eliminated on consolidation	(1,093)	(196)
	391	381
Less HEL expenditure included in other expenditure	(224)	(150)
Non-ancillary trading expenditure	167	231

Haileybury and Imperial Service College

4 Grants and Donations

	2022 £'000	2021 £'000
Legacies	650	260
Other grants and donations	76	41
Withdrawal from investments under Total Return	244	287
	970	588

5 Analysis of Expenditure

(a) Expenditure on

	Staff costs £'000	Other costs £'000	Depreciation £'000	2022 £'000
Raising funds				
Non-ancillary trading	96	72	-	168
Financing costs	-	15	-	15
Investment management	-	116	-	116
Fundraising	152	22	-	174
Total costs of raising funds	248	225	-	473
Charitable activities				
Education				
Teaching	10,717	1,480	-	12,197
Welfare	762	3,024	-	3,786
Premises repair and maintenance	2,360	3,359	1,675	7,394
Support costs and governance	2,764	2,303	-	5,067
Awards and prizes	-	128	-	128
Total charitable activities	16,603	10,294	1,675	28,572
Total expenditure	16,851	10,514	1,675	29,045
Comparative figures				
	Staff costs £'000	Other costs £'000	Depreciation £'000	2021 £'000
Raising funds				
Non-ancillary trading	294	(63)	-	231
Financing costs	-	9	-	9
Investment management	-	96	-	96
Fundraising	72	32	-	104
Total costs of raising funds	366	74	-	440
Charitable activities				
Education				
Teaching	9,891	1,217	-	11,108
Welfare	663	1,976	-	2,639
Premises repair and maintenance	2,174	2,361	1,676	6,211
Support costs and governance	2,696	2,439	-	5,135
Awards and prizes	-	103	-	103
Total charitable activities	15,424	8,095	1,676	25,196
Total expenditure	15,790	8,170	1,676	25,636

Haileybury and Imperial Service College

5 Analysis of Expenditure (continued)

(b) Awards and prizes

	2022 £'000	2021 £'000
From restricted funds:		
Bursaries and scholarships	56	44
Other awards	-	3
From unrestricted/designated funds:		
Bursaries and scholarships	50	44
Prizes and leaving awards	13	6
Other awards	9	7
	128	104

(c) Governance included in support costs

	2022 £'000	2021 £'000
Auditors' remuneration:		
For audit	27	32
Other services	16	2
	43	34

Expenses were reimbursed to trustees, as follows:

	2022 No.	2022 £'000	2021 No.	2021 £'000
Travel	11	4	-	-

6 Employees' Remuneration

The total staff costs, charged as an expense in the income and expenditure account, are:

	2022 £'000	2021 £'000
Wages and salaries	13,192	12,183
Social security costs	1,344	1,217
Pension contributions	1,875	2,028
	16,411	15,428
Other staff costs	440	362
	16,851	15,790

The average number of employees in the period on a headcount was 432 (2021: 416).

The average full-time equivalent (FTE) number of employees in the period was 329 (2021: 324) out of which the number of teaching employees (FTE) in the period was 128 (2021: 121).

Staff by area

	2022	2021
Teaching	235	217
Welfare	29	28
Premises	106	110
Support	62	62
Total	432	416
	£	£
Aggregate employee-benefits of key management personnel	381,647	363,951

Haileybury and Imperial Service College

6 Employees' Remuneration (continued)

The number of employees whose emoluments, as defined for taxation purposes (basic pay and benefits in kind), amounted to over £60,000 in the period was as follows:

	2022 No.	2021 No.
£60,001 - £70,000	16	16
£70,001 - £80,000	6	6
£80,001 - £90,000	2	4
£90,001 - £100,000	3	3
£100,001 - £110,000	2	1
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-
£160,001 - £170,000	-	1
£230,001 - £240,000	1	-

Pension contributions in respect of employees whose emoluments amounted to more than £60,000 were paid as follows:

- £398,090 (2021: £365,855) to the Teacher's Pension Agency in respect of 22 employees (2021: 21 employees).
- £25,645 (2021: £35,634) to personal pension schemes in respect of 2 employees (2021: 2 employees).
- £39,963 (2021: £31,330) to TPT Retirement Solutions, a company pension scheme, in respect of 6 employees (2021: 7 employees).

During the period there were redundancy or termination payments made which amounted to £34,360 (2021: £123,135). There were no amounts outstanding at the year end.

No trustees received remuneration during the year.

7 Pension Schemes

(a) Teachers' Defined Benefit Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1.7m (2021: £1.6m).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

Haileybury and Imperial Service College

7 Pension Schemes (continued)

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

(b) The Pensions Trust's Growth Plan

The School participates in the scheme 'TPT Retirement Solutions – The Growth Plan', a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the School to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the School is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£2,197,000 per annum (payable monthly)
---------------------------------------	--

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Haileybury and Imperial Service College

7 Pension Schemes (continued)

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
---	--

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the School has agreed to a deficit funding arrangement the School recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	31 August 2022 (£s)	31 August 2021 (£s)	31 August 2020 (£s)
Present value of provision	48,707	232,966	296,404

Reconciliation of opening and closing provisions

	Period Ending 31 August 2022 (£s)	Period Ending 31 August 2021 (£s)
Provision at start of period	232,966	296,404
Unwinding of the discount factor (interest expense)	1,319	1,440
Deficit contribution paid	(47,146)	(64,565)
Remeasurements - impact of any change in assumptions	(2,147)	(313)
Remeasurements - amendments to the contribution schedule	(136,285)	-
Provision at end of period	48,707	232,966

Income and expenditure impact

	Period Ending 31 August 2022 (£s)	Period Ending 31 August 2021 (£s)
Interest expense	1,319	1,440
Remeasurements – impact of any change in assumptions	(2,147)	(313)
Remeasurements – amendments to the contribution schedule	(136,285)	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the School.

Haileybury and Imperial Service College

7 Pension Schemes (continued)

Assumptions

	31 August 2022 % per annum	31 August 2021 % per annum	31 August 2020 % per annum
Rate of discount	4.46	0.63	0.55

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Additional information

The following schedule details the deficit contributions agreed between the School and the scheme at each year end period:

Deficit contributions schedule

Year ending	31 August 2022 (£s)	31 August 2021 (£s)	31 August 2020 (£s)
Year 1	21,197	66,502	64,565
Year 2	21,197	68,497	66,502
Year 3	8,832	70,552	68,497
Year 4	-	29,905	70,552
Year 5	-	-	29,905
Year 6	-	-	-

The School must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the School's balance sheet liability.

8 Transfers

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000
Charity commission loan repayments	(149)	-	149
Scholarship and bursary awards	56	(56)	-
Capital projects funded by donations SciTech	263	(263)	-
Capital projects funded by donations other	208	(208)	-
Recharges from school to ISE	12	-	(12)
Transfers from special funds to unrestricted funds	10	(10)	-
Reclassification of funds	(148)	(58)	206
Total transfer	<u>252</u>	<u>(595)</u>	<u>343</u>

Loan repayments relate to loans drawn between 2000 and 2002 from Endowed Investments, with the approval of the Charity Commission, for the purpose of constructing two boarding houses, Colvin and Melvill, repayable over 50 years. The School recharges ISE for a proportion of the time spent by members of the executive on matters related to the Charity. Further transfers were made from Special Funds and ISE to Unrestricted Funds when previously donated amounts for restricted purposes are applied for the acquisition of items by the School in accordance with the donors stipulated aims.

Haileybury and Imperial Service College

9 Tangible Fixed Assets - Consolidated and Charity

	Land and buildings £'000	Fixtures and fittings £'000	Equipment and machinery £'000	Vehicles £'000	Total £'000
Consolidated					
Cost					
At 1 September 2021	42,326	6,380	6,461	683	55,850
Additions	3,752	181	1,478	7	5,418
Disposals	-	-	-	-	-
At 31 August 2022	46,078	6,561	7,939	690	61,268
Accumulated depreciation					
At 1 September 2021	(9,829)	(1,372)	(4,563)	(435)	(16,199)
Charge for period	(700)	(371)	(526)	(78)	(1,675)
Disposals	-	-	-	-	-
At 31 August 2022	(10,529)	(1,743)	(5,089)	(513)	(17,874)
Net book value at 31 August 2022	35,549	4,818	2,850	177	43,394
Net book value at 31 August 2021	32,497	5,008	1,898	248	39,651
Charity	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2021	42,326	6,380	6,461	683	55,850
Additions	3,752	181	1,478	7	5,418
Disposals	-	-	-	-	-
At 31 August 2022	46,078	6,561	7,939	690	61,268
Accumulated depreciation					
At 1 September 2021	(9,829)	(1,372)	(4,563)	(435)	(16,199)
Charge for period	(700)	(371)	(526)	(78)	(1,675)
Disposals	-	-	-	-	-
At 31 August 2022	(10,529)	(1,743)	(5,089)	(513)	(17,874)
Net Book Value at 31 August 2022	35,549	4,818	2,850	177	43,394
Net book value at 31 August 2021	32,497	5,008	1,898	248	39,651

Fixed assets under construction included in land and buildings is £3,096,850 (2020/21: £878,293), in fixtures and fittings is £166,253 (2020/21: £191,437), and in equipment and machinery is £52,557 (2020/21: £24,302).

The current valuation of buildings for insurance purposes is £282,163,742 (2021: £259,950,372).

Included in land and buildings above is land of approx. 2 acres, in relation to which Haileybury has entered into a lessor agreement with Legends Tennis Academy. This agreement has a 65-year term of which 13.6 years have lapsed.

Haileybury and Imperial Service College

10 Investments – Consolidated and Charity

	2022 £'000	2021 £'000
Group investments		
Balance at 1 September 2021	22,736	18,998
New money invested	-	2
Payments to acquire investments (includes cash held by Fund Managers – see “Investments comprise” below)	(11,750)	(8,570)
Proceeds from sale of investments	12,298	8,761
Reinvested income	24	290
Amounts extracted	(362)	(302)
Investment management fees	(116)	(96)
(Decrease)/increase in value of investments	(2,225)	3,653
Group investments at 31 August 2022	20,605	22,736
Investments in subsidiaries	1	1
College investments at 31 August 2022	20,606	22,737
Investments comprise		
Listed investments	-	-
Fixed interest	1,221	1,965
Equities	11,671	17,699
Alternative assets	746	954
Unlisted securities	-	74
Commercial property funds	376	559
Commodities	192	556
Infrastructure	222	233
Other	-	8
Cash	6,177	688
Group investments	20,605	22,736
Investment in subsidiaries	1	1
College investments	20,606	22,737

The main investments and Fees in Advance Scheme investment deposits were managed for the College by Rathbones, Rothschild and Sarasins Investment Managers. The investments are actively managed and the performance is reviewed by the Investment Committee.

The investment management costs are charged to the endowed funds where they relate to the management of the endowed portfolio. The income arising from the endowed portfolio, other than the investments accounted for under Total Return, forms part of the restricted funds.

Haileybury and Imperial Service College

10a Summary of Activities of Haileybury Enterprises Limited

Haileybury Enterprises Limited (Registered No. 2880179) is a company wholly owned by Haileybury, which continues to supply services to the College and to carry out residential lettings, sports complex lettings, international educational advice and consultancy, construction and property dealing. The results of HEL for the year and a summary of its balance sheet position are as follows:

	2022 £'000	2021 £'000
Summary statement of financial activities		
Turnover	820	1,470
Cost of sales	(164)	(145)
Gross profit	656	1,325
Other operating income	-	1
Administrative expenses	(338)	(326)
Operating profit	318	1,000
Interest payable and similar charges	(1)	(1)
Profit on ordinary activities before tax	317	999
Tax on profit on ordinary activities	(4)	(4)
Profit on ordinary activities after tax	313	995
Amount donated by gift aid to Haileybury relating to prior year	(977)	(101)
Retained profit for the year after tax and gift aid	(664)	894
Retained profit brought forward at 1 September 2021	1,036	142
Retained profit carried forward at 31 August 2022	372	1,036
	2022 £'000	2021 £'000
Summary balance sheet		
Current assets	426	1,404
Current liabilities	(53)	(367)
Nets assets of HEL at 31 August 2022 were	373	1,037

11 Debtors

	Consolidated		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
School fees	32	13	32	13
Trade debtors	90	274	2	128
Sundry debtors	518	381	468	381
Amount due from subsidiary company	-	-	-	-
Amount due from Lambrook	25	25	25	25
Prepayments and accrued income	2,119	1,275	2,062	1,009
Due within one year	2,784	1,968	2,589	1,556
Trade debtors	-	18	-	-
Sundry debtors	-	-	-	-
Amount due from Lambrook	682	708	682	708
Due after more than one year	682	726	682	708
Total debtors	3,466	2,694	3,271	2,264

Interest on the amount due from subsidiary company is charged at 2% over bank base rate.

The amounts due to Haileybury represent interest free Charity Commission approved loans to Lambrook School. There is security with a charge over property at Lambrook. The repayment terms were 50 years of which there are 31 and 29 years left respectively.

Haileybury and Imperial Service College

12 Creditors Payable Within One Year

	Consolidated		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	3,235	695	3,257	316
Finance lease liability	195	88	195	88
Fees paid in advance	6,086	6,183	6,086	6,183
Taxation and social security	339	292	339	292
Other creditors and accruals	2,037	3,194	2,030	3,194
Composition of fees due (note 14)	55	60	55	60
Pupil fee deposits held	2,011	2,852	2,011	2,852
	13,958	13,364	13,973	12,985

13 Creditors Payable After One Year

	Consolidated		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Finance lease liability	65	63	65	63
Other creditors and accruals	48	277	48	277
Composition of fees due (note 14)	48	116	48	116
Pupil fee deposits held	-	-	-	-
	161	456	161	456

14 Composition of Fees Scheme

Parents may pay to the College up to seven years' fees in advance, which may be refunded subject to specific conditions on the receipt of one term's notice, assuming pupils remain in the College. Advance fees will be applied as follows:

	2022	2021
	£'000	£'000
Within 2 to 5 years	48	116
Within 1 to 2 years	-	60
	48	176
Within 1 year (see note 15 below)	55	-
	103	176

The balance represents the accrued liability under the contracts with parents. The capital movements during the year were:

	Total
	£'000
Balance at 1 September 2021	176
New contracts	-
Amounts accrued to contracts	-
	176
Amounts utilised in payment of fees to the College	(73)
Withdrawals	-
Balance at 31 August 2022	103

Haileybury and Imperial Service College

15 Funds

15a Allocation of the Group Net Assets

	Fixed assets £'000	Investments £'000	Net current assets £'000	Long term liabilities £'000	Fund Balances £'000
2022					
Endowed funds (note 15b)	268	18,522	940	-	19,730
Restricted funds (note 15d)	-	490	1,057	-	1,547
Unrestricted funds (note 15e)	-	-	-	-	-
Designated funds	-	1,356	440	-	1,796
General funds	43,125	237	(4,769)	(161)	38,432
	<u>43,393</u>	<u>20,605</u>	<u>(2,332)</u>	<u>(161)</u>	<u>61,505</u>
2021					
Endowed funds	271	20,470	855	-	21,596
Restricted funds	-	560	693	-	1,253
Unrestricted funds	-	-	-	-	-
Designated funds	-	1,454	926	-	2,380
General funds	39,380	252	(1,854)	(456)	37,322
	<u>39,651</u>	<u>22,736</u>	<u>620</u>	<u>(456)</u>	<u>62,551</u>

Note: General funds includes the Fees in Advance Scheme.

15b Endowed Funds – Consolidated and Charity

	Balance 1 September 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers & investment gains/(losses) £'000	Balance 31 August 2022 £'000
HCT	2,814	50	(67)	(288)	2,509
ISE – Total Return (note 15c)	11,410	78	(54)	4,757	16,191
ISE – other	7,372	(78)	(42)	(6,222)	1,030
	<u>21,596</u>	<u>50</u>	<u>(163)</u>	<u>(1,753)</u>	<u>19,730</u>
	Balance 1 September 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers & investment gains/(losses) £'000	Balance 31 August 2021 £'000
HCT	2,389	-	(16)	441	2,814
ISE	9,245	-	(68)	2,233	11,410
ISE total return transfer	6,557	27	(9)	797	7,372
	<u>18,191</u>	<u>27</u>	<u>(93)</u>	<u>3,471</u>	<u>21,596</u>

HCT represents funds permanently invested to provide scholarships and bursaries. ISE funds are principally the current valuation of the original capital which was transferred to H&ISC on July 2000. All investment gains and losses on these funds are applied to the endowment.

The transfer listed from ISE Other relates to the adoption of Total Return accounting by the ISE No 2 fund (see note 15c).

Haileybury and Imperial Service College

15 Funds (continued)

15c Total Return accounting for investments

The Governors have adopted a policy of total return accounting for the ISE No 1 and ISE No 3 Funds. This permits part of the capital gain to be drawn as income to meet the needs of current beneficiaries while protecting the capital and so future calls on the funds. The annual increase of the protected sum is calculated with reference to the RPI and the total return from endowment is calculated by reference to the FTSE all share yield. In addition, any amount of return to be drawn from invested funds is limited to 50% of the amount above the protected value.

	Trust for Investment £'000	Unapplied Total Return £'000	Total £'000
Balance at 31 August 2020	6,705	2,540	9,245
Recoupment of loan	175	-	175
Investment income	-	-	-
Investment gains	82	1,976	2,058
Investment management costs	-	(68)	(68)
Net movement in the reporting period	257	1,908	2,165
Allocation to Trust for Investment (at RPI inflation)	-	-	-
Transfer to income funds for application	-	-	-
Balance at 31 August 2021	6,962	4,448	11,410
Recoupment of loan	87	-	87
Investment income	-	78	78
Investment gains/(losses)	-	(1,221)	(1,221)
Investment management costs	-	(54)	(54)
Net movement in the reporting period	87	(1,197)	(1,110)
Allocation to Trust for Investment (at RPI inflation)	943	(943)	-
Transfer to income funds for application	-	(322)	(322)
Balance at 31 August 2022	7,992	1,986	9,978
ISE No.2 Fund balances on initial adoption of Total Return	6,238	(25)	6,213
Balance at 31 August 2022	14,230	1,961	16,191

Repayment refers to interest free Charity Commission approved loans.

The transfer to income funds for application represents £78k of investment income received in the year and £244k of previously accrued unapplied total return released by the Governors.

The Governors took the decision to apply Total Return accounting for the ISE No.2 investments with effect from 31 August 2022. The balances on initial adoption of Total Return accounting have been determined by reference to the original amounts on the inception of the fund in 2001/02, indexed for RPI inflation on the same basis as the existing No.1 and No.3 Funds.

Haileybury and Imperial Service College

15 Funds (continued)

15d Restricted Funds – Consolidated and Charity

	Balance 1 September 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers & investment gains/(losses) £'000	Balance 31 August 2022 £'000
Scholarships, bursaries and allowances	1,260	675	(3)	(469)	1,496
HCT	(58)	33	-	57	(1)
ISE	51	252	-	(251)	52
	<u>1,253</u>	<u>960</u>	<u>(3)</u>	<u>(663)</u>	<u>1,547</u>
	Balance 1 September 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers & investment gains/(losses) £'000	Balance 31 August 2021 £'000
Scholarships, bursaries and allowances	945	283	(5)	37	1,260
HCT	(34)	14	-	(38)	(58)
ISE	-	257	-	(206)	51
	<u>911</u>	<u>554</u>	<u>(5)</u>	<u>(207)</u>	<u>1,253</u>

Grants and allowances include restricted monies raised from development efforts for specific projects, and also represent the Special Fund, set aside to provide books for the library, memorial prizes and travel grants. HCT restricted funds are the income from the endowed investments from which scholarships and bursaries are funded. ISE restricted funds represent investment income, from which the Council can make grants in accordance with the ISE trust deed.

Haileybury and Imperial Service College

15 Funds (continued)

15e Unrestricted Funds – Consolidated and Charity

	Balance 1 September 2021	Incoming resources	Resources expended	Transfers & investment gains/(losses)	Balance 31 August 2022
General fund	<u>37,322</u>	<u>28,345</u>	<u>(28,482)</u>	<u>1,247</u>	<u>38,432</u>
	<u>37,322</u>	<u>28,345</u>	<u>(28,482)</u>	<u>1,247</u>	<u>38,432</u>
Designated funds	<u>1,344</u>	<u>50</u>	<u>(7)</u>	<u>(31)</u>	<u>1,356</u>
HEL	<u>1,036</u>	<u>815</u>	<u>(386)</u>	<u>(1,025)</u>	<u>440</u>
	<u>2,380</u>	<u>865</u>	<u>(393)</u>	<u>(1,056)</u>	<u>1,796</u>
	Balance 1 September 2020	Incoming resources	Resources expended	Transfers & investment gains/(losses)	Balance 31 August 2021
General fund	<u>36,978</u>	<u>24,810</u>	<u>(25,156)</u>	<u>690</u>	<u>37,322</u>
	<u>36,978</u>	<u>24,810</u>	<u>(25,156)</u>	<u>690</u>	<u>37,322</u>
Designated funds	<u>1,283</u>	<u>30</u>	<u>(1)</u>	<u>(32)</u>	<u>1,344</u>
HEL	<u>279</u>	<u>1,471</u>	<u>(382)</u>	<u>(332)</u>	<u>1,036</u>
	<u>1,562</u>	<u>1,501</u>	<u>(383)</u>	<u>(300)</u>	<u>2,380</u>

Unrestricted funds are held in accordance with the Charter of the College allowing the capital and revenue to be used as deemed appropriate.

Designated Funds represent an amount set aside historically from Unrestricted Funds and separately invested to fund scholarships and bursaries. HEL represents the reserves of Haileybury Enterprises Ltd, the trading subsidiary of Haileybury to reflect the fact that profits in HEL are covenanted as donations to the Charity.

16 Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Net income/(expenditure) from operations		1,179		1,256
Investment income and interest received	(365)		(352)	
Finance costs	15		9	
Investment management charges	116		96	
Depreciation charges	1,675		1,677	
Loss on sale of assets	-		6	
Decrease/ (increase) in stocks	(9)		63	
(Increase)/decrease in debtors	(772)		(68)	
Increase/(decrease) in creditors	<u>299</u>		<u>228</u>	
		959		1,659
Net cash inflow from operating activities		2,138		2,915

Haileybury and Imperial Service College

17 Analysis of Cash and Cash Equivalents

	2022 £'000	2021 £'000
Cash at bank	7,994	11,134
Cash held within investment portfolio	6,177	687
	<u>14,171</u>	<u>11,821</u>

18 Analysis of Net Debt

	At 1 Sept 2021 £'000	Cash flows £'000	Other movements £'000	At 31 August 2022 £'000
Cash and cash equivalents	11,821	2,350	-	14,171
Sub-total	11,821	2,350	-	14,171
Finance lease	(151)	120	(229)	(260)
Net funds	11,670	2,470	(229)	13,911

19 Capital Commitments

Capital commitments amounting to £17,458,309 (2021: £1,094,031) existed at 31 August 2022, representing contracts entered into but not yet complete.

20 Operating and Finance Leases

At 31 August 2022 Haileybury has future minimum lease commitments under non-cancellable operating lease, as follows:

	2022 £'000	2021 £'000
Hire of land and buildings		
Due within 1 year	1	1
Due within years 2 to 5	1	1
	<u>2</u>	<u>2</u>

At 31 August 2022 there were obligations under finance leases included in creditors as follows:

	2022 £'000	2021 £'000
Due within 1 year	195	88
Due within years 2 to 5	65	63
Total	<u>260</u>	<u>151</u>

21 Related Party Transactions

In the period, the college charged £387,851 (2021: £208,905) to HEL for the provision of staff and the administrative services.

At 31 August 2022 HEL owed the College £66,823 (2021: £nil) on an intercompany loan. Interest on this balance is charged at 2% over bank base rate.

Apart from Governors' reimbursed expenses disclosed in note 5, there were no other related party transactions in the period (2021: £nil).

Haileybury and Imperial Service College

Governing Board

for the Year Ended 31 August 2022

Visitor The Most Revd and Rt Hon The Lord Archbishop of Canterbury

President The Rt Revd The Bishop of St Albans

Trustees and Members of Council

13	Ms C Armah BA (<i>Stood down June 2022</i>)
7	Mrs C F Avery MA (Oxon) PGCE NPQH
7	Mr A D Brown MA (Cantab) PGCE
6, 12, +	Dr A Drewett JP BSc PhD
5, 6, 10, 14	Mr G A Ellison MA (Oxon)
13	Mr N D Gilbert BA
9, 14	Mrs J Gough OBE MA (Cantab) ACA
6, 10	Mrs H Grimberg LLB
11	The Revd Canon S Harvey MA (Oxon) PGCE NPQH
9, 11	The Revd P Hunt BA MA MTh Mr R J G Madden MA (Cantab) ACA
4, 5, 6, 8, 10, 12	Mr R P Munn MA (Cantab) FRGS
11	Dr R Olowookere MRCGP
14	Mr T I Page-Ratcliff FNAEA
11	Ms T Pandya BSc
7	The Revd D Peters BA MA (Oxon) DipTh (Oxon)
9	Ms R Phelps QC BA (Oxon) BCL (Oxon)
1, 9, 10, 12, +	Mr A J T Pilgrim BSc FCA
5, 6	Mr M Rayfield BSc ACA
6, 13	Dr N P V Richardson MA (Cantab) PhD, PGCE
7, 10, 12	Mr S C Roberts MA (Oxon) PGCE (Oxon)
2, 3, 10	Mr C N C Sherwood MA (Cantab) MBA MSc
8,	Mr W D Walker-Arnott BA
7	Mr S A Westley MA (Oxon)

Non-Council Governors

	Mr R M Abel Smith
	Dr C B Challacombe MB BS MRCS LRCP
	Lord Clement-Jones CBE
	Dr E S Cleobury MA PhD
	Mrs M Evans BA
5, 8, 12, +	Mr M R B Gatenby MA FCA
	The Revd Dr A A Macintosh DD
	Mr D F Macleod FCA
	Sir Bruce MacPhail MA MBA FCA
	Mr C G Macpherson
	Sir Clive Martin OBE TD DL
	Mr I H McCorquodale MA
	General The Lord Ramsbotham GCB CBE
	Mr G C Smith MA DipEd
	Mr G W Staple CB QC
	The Revd A J Templeman MA DipTh
	The Revd The Hon P M Templeman MA BTh
	Mr J D Thornton BSc MA CEng MICE MCIOB
	Major General T P Toyne Sewell DL
	The Rt Hon Lord Trefgarne PC
	Mr J C G Trower MA
	Mr E I Walker-Arnott QC (Hon) LLM

Master Mr M A R Collier MA (Oxon)

Bursar and Clerk to the Governors + Mr R M Schofield BA FCA

Denotes:

- 1 Chairman of Council
- 2 Chairman of Nominations and Governance Committee
- 3 Deputy Chairman
- 4 Treasurer
- 5 Member of Audit and Risk Committee
- 6 Member of Finance and General Purposes Committee
- 7 Member of Education Committee
- 8 Member of Investment Committee and Trustee of Haileybury Charitable Trust
- 9 Member of Nominations and Governance Committee
- 10 Member of Remuneration Committee
- 11 Member of Safeguarding and Wellbeing Committee
- 12 Member of the International Committee
- 13 Member of the Development Committee
- 14 Member of the Estate Committee
- + Director of Haileybury Enterprises Ltd

Haileybury and Imperial Service College

Advisers for the Year Ended 31 August 2022

Bankers

Not for Profit & Education, Commercial & Private Banking, NatWest
2nd floor, Argyll House, 246 Regent Street, London, W1B 3PB

Education and Public Sector, Barclays
Abacus House, Castle Park, Castle Hill, Cambridge, CB3 0AN

Investment Managers

Rathbone Investment Management
8 Finsbury Circus, London EC2M 7AZ

Rothschild and Co
New Court, St Swithin's Lane, London EC4N 8AL

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Solicitors

Bird and Bird LLP
12 New Fetter Lane, London EC4A 1JP

Fragomen LLP
1st Floor, 95 Gresham St, London EC2V 7NA

HCR Hewitsons
50 - 60 Station Rd, Cambridge CB1 2JH

Veale Wasbrough Vizards LLP
Narrow Quay House, Narrow Quay, Bristol BS1 4QA

Eversheds Sutherland LLP
1 Wood Street, London EC2V 7WS

Pension Advisers

Lane Clark & Peacock
95 Wigmore Street
London W1U 1DQ

Auditors

Haysmacintyre LLP
10 Queen Street Place, London EC4R 1AG

Insurance Brokers

Endsleigh Insurance
Unit 21, Dean House Farm, Church Road, Newdigate, Surrey,
RH5 5DL