

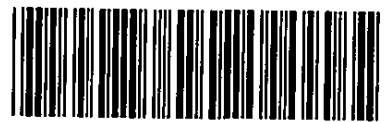
Registered number: 07398941

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

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HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Governors and Members

Ms R Cave, Headteacher (appointed 15 April 2013)
Mr J Hunt, Staff Governor (appointed 12 May 2014, resigned 20 April 2015)
Ms S Kitson, Parent Governor (appointed 2 July 2013)
Ms C Lamsdale, Local Authority (appointed 24 June 2011)
Ms D Mander, Appointed Governor (appointed 19 May 2009)
Mr J Taylor, Parent Governor (appointed 7 February 2011)
Mr T Taylor, Appointed Governor (appointed 11 July 2012)
Ms N Truman, Appointed Governor (appointed 11 July 2012)
Mr D White, Appointed Governor (appointed 11 March 2009)
Mr N Butcher, Parent Governor (appointed 2 July 2013)
Mr A Ranjantie, Parent Governor (appointed 13 December 2013)
Mrs A McFarlane, Parent Governor (appointed 13 December 2013)
Mr S Woodhull, Appointed Governor (appointed 24 November 2010)
Mrs L Gannon, Staff Governor (appointed 24 October 2014)
Mr G Haskins, Staff Governor (appointed 25 June 2015)
Mrs S Sadler, Staff Governor (appointed 24 September 2013)

Company registered number

07398941

Principal and registered office

Highdown School and Sixth Form Centre, Surley Row, Emmer Green, Reading, RG4 8LR

Company secretary

Mrs J Tucker

Senior management team

Ms R Cave, Headteacher
Mr I Wright, Deputy Headteacher
Mr M Grantham, Deputy Headteacher

Independent auditors

Crowe Clark Whitehill LLP, 49 - 51 Blagrove Street, Reading, Berkshire, RG1 1PL

Bankers

HSBC Bank Plc, Harry Weston Road, Binley, West Midlands, CV3 2TQ

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2015

The governors present their annual report together with the financial statements of the charitable company for the year ended 31st August 2015. The company was incorporated on 6th October 2010.

The financial statements have been prepared in accordance with the accounting policies on pages 19 to 21 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued on March 2005 ('SORP 2005').

Highdown School is an academy for pupils aged 11 to 18 serving a catchment area in Caversham, North Reading. It has a pupil capacity of 1540 and had a roll of 1,252 in the school census on 1 October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Highdown School and Sixth Form Centre (the Academy) is a company limited by guarantee with no share capital (registration number 07398941) and an exempt charity. The charitable company's memorandum and articles of association are the prime governing documents. The articles of association require members of the charitable company to appoint not less than 3 Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

Members Liability

Every member of the charitable company (who are not necessarily Governors) undertakes to contribute such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one year he or she ceases to be a member and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves.

Governors' Indemnities

For the year to 31 August 2015 the school held professional indemnity insurance for Governors to the value of £5,000,000.

Governors

The Governors are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the charity legislation.

On 1st November 2010, all Governors also became Directors of the Academy. The term of office for any Governor shall be 4 years, including the Headteacher and Ex-Officio Governors. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected.

The Governors who were in office as at 31st August 2015 and subsequently, are listed on page 1.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Governors will be given a tour of the academy and the chance to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors, Executives and specific responsibilities

Local Council representative Mrs C Lamsdale (T&L/F)*

Parent Governors Ms S Kitson (T&L)
 Mr N Butcher (T&L/F)
 Mr J Taylor (T&L/F)
 Mr A Rajantie (T&L)
 Mrs A McFarlane (T&L)

Staff Governors Mrs L Gannon
 Mr G Haskins
 Mrs R Sadler

Headteacher Ms R Cave (T&L/F)

Appointed Governors Ms D Mander (F)
 Mr T Taylor (F)
 Ms N Truman (T&L)
 Mr D White (T&L)
 Mr S Woodhull (T&L/F)

Clerk to the Governors Mrs J Tucker

CHAIR Mr J Taylor

VICE CHAIR Ms S Kitson
 Mr D White

COMMITTEE CHAIRS & OTHER ROLES

* Teaching and Learning committee (T&L) Chair Mr D White

* Finance, Staffing & Premises (F) Chair Mr T Taylor

Audit committee
Chair Mrs D Mander
Mr Nick Butcher

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Organisational Structure

The Academy has a management structure of Governors (Governing body) and a Senior Leadership Team led by the Headteacher

The Governors are responsible for appointing the Headteacher, making major strategic decisions, setting general policy and adopting an annual budget

The Headteacher is responsible for the day to day running of the Academy

Connected Organisations including Related Party Relationships

Highdown School is not part of an academy chain or any other federation or education providers. From September 2014, the ownership of the sports centre has been transferred to the academy. Highdown Sport and Leisure is a wholly owned subsidiary not for profit organization. The HSL board of directors will be drawn from the governing body and report through this mechanism to FGB.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The principal object and activity of the charitable company is to establish and maintain an independent state school to be known as Highdown School and Sixth Form Centre whose curriculum has an emphasis on mathematics and computing.

The characteristics of an Academy are a school that

- Has a broad curriculum with an emphasis on particular subject areas,
- Provides education for students of different abilities who are drawn wholly or mainly from the area where the school is situated

The objectives of the Academy are

- To promote the well-being of students at the Academy
- To promote community cohesion
- To work with other institutions in training the next generation of teachers

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Children, Schools and Families. The Scheme of Government specifies, amongst other things, the basis for admitting students to The Academy and the catchment area from which the students are drawn.

The Academy opened as an academy on 1 November 2010.

Equal Opportunities Policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy promotes equal opportunities in all areas of its activities including the creation of a working environment in which the contribution and needs of all people are fully valued. Our Equal Opportunities Policy is published on our website.

Disabled Persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the new Academy building. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by making reasonable adaptations to the physical environment, by making support resources available and through training and career development.

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Objects, aims and objectives (continued)

Public Benefit

The Academy exists for the educational benefit of those students in the community of Emmer Green and Caversham to the north of Reading. The Academy promotes community cohesion at four levels. These are (1) The Academy community, (2) The Local Community, (3) The United Kingdom Community and (4) the Global Community. The School is proud to have been awarded International School Status for 2015-18.

The academy has strong links with HE providers including Reading University, Oxford University and others to support Initial Teacher Training (ITT). The academy works with Reading School to train teachers via the Schools Direct Scheme. The Headteacher is on the steering group for ITT at Reading University and other institutions to provide training for its own and other ITTs.

The Governors, acting as Trustees, confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The academy has worked hard to improve performance over the last 12 months and has continued to have considerable success.

Key Performance Indicators

For a school the key performance indicators are around achievement and well being of the students. There have been significant improvements against national standards in the last year.

The School is now recognised as a Good School with outstanding features. The Ofsted report of 2015 details achievements against National Standards.

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Going Concern

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

FINANCIAL REVIEW

Financial report for the year

During the year the Academy received £6.7m (2014 - £8.0m) from the EFA in respect of general annual grant and specific grants.

Carrying on from the prior year, the installation of the flat roofs continued in the current year with the aim of increasing energy efficiency and improve the wellbeing of the staff and students in the working environment.

All other funds have been used in support of the aims and objectives of the Academy.

Financial Position

The Academy held fund balances at 31 August 2015 of £14,638,546 comprising deficit £1,327,281 of restricted general funds, £15,269,561 of restricted fixed asset funds, and £426,266 of unrestricted funds.

The net deficit position on the restricted general funds is principally as a result of including the Academy's share of the Local Government Pension scheme deficit.

Reserves Policy

The Governors have plans to agree a formal reserves policy during the year ended 31 August 2016. At the current time, the level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. This applies particularly to the funds earmarked for future capital projects. The level of reserves will be kept under review by the Governors.

In respect of any surplus or deficit recognised in relation to the Academy's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Academy in the form of an increase or decrease in employers' pension contributions over a number of years. This year a deficit of £1,453,000 has been recognised as a liability in the accounts; this does not represent an immediately repayable debt.

Investment Policy

Highdown School has a detailed Treasury Policy developed in accordance with CIPFA's Treasury Management in the Public Services Code of Practice. The School regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured.

Principal Risks and Uncertainties

The Governors have implemented a number of systems to assess risk including operational areas, (e.g. in relation to teaching, health and safety, bullying and school trips) and the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

The academy has prepared a corporate Risk Register in line with appropriate guidance. This is to be considered annually by the governing body and ongoing review as detailed for each item.

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

PLANS FOR FUTURE PERIODS

The Academy's vision is to continue to be a creative, dynamic and exciting school where children value learning supported by a highly motivated, committed team of staff and fuelled by accommodation, resources and opportunities that fully meet their needs, dreams and aspirations. Future plans, which include provision of a specialist sixth form centre, a sports hall and additional classrooms are driven by this.

The Academy works with other schools and universities to provide quality Initial Teacher Training and further research opportunities thus supporting the next generation of teachers and endorsing a commitment to academic excellence and lifelong learning.

Funds held as Custodian Trustee on behalf of others

Neither Highdown School and Sixth Form Centre nor the Governing Body are acting as third party custodial trustees.

DISCLOSURE OF INFORMATION TO AUDITORS

The Governors who held office at the date of approval of this Government's report confirm that so far as they are aware, there is no relevant audit information of which the Academy's auditors are unaware, and each director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and establish that the charitable company's auditors are aware of that information.

AUDITORS

The appointment of the current auditors, Crowe Clark Whitehill LLP, will be continued in accordance with Section 487(2) of the Companies Act 2006.

The report of the Governors, incorporating a strategic report, was approved by the Governors on 24/11/2015 and signed for on their behalf by

John Taylor
Chair of Governors



HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Ms R Cave, Headteacher	6	6
Mr J Hunt, Staff Governor	0	4
Ms S Kitson, Parent Governor	5	6
Ms C Lamsdale, Local Authority	5	6
Ms D Mander, Appointed Governor	5	6
Mr J Taylor, Parent Governor	5	6
Mr T Taylor, Appointed Governor	4	6
Ms N Truman, Appointed Governor	5	6
Mr D White, Appointed Governor	6	6
Mr N Butcher, Parent Governor	3	6
Mr A Ranjantie, Parent Governor	5	6
Mrs A McFarlane, Parent Governor	4	6
Mr S Woodhull, Appointed Governor	2	6
Mrs L Gannon, Staff Governor	3	3
Mr G Haskins, Staff Governor	1	1
Mrs S Sadler, Staff Governor	0	0

Governance reviews

A self audit governance review was carried out in November 2014.

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GOVERNANCE STATEMENT (continued)

The Finance, Staffing and Premises Committee is a sub-committee of the main Governing Body

Attendance at meetings in the year was as follows

Governor	Meetings attended	Out of a possible
Ms R Cave, Headteacher	5	5
Mr J Hunt, Parent Governor	0	3
Mrs L Gannon, Support Staff Governor	3	3
Ms D Mander, Appointed Governor	5	5
Mr J Taylor, Parent Governor	5	5
Mr T Taylor, Appointed Governor	5	5
Mr N Butcher, Parent Governor	2	5
Mrs R Sadler, Teaching Staff Governor	3	3
Mr D White	4	5
Mr S Woodhull, Appointed Governor	1	5

The Teaching and Learning Committee is also a sub-committee of the main Governing Body

Attendance at meetings in the year was as follows

Governor	Meetings attended	Out of a possible
Ms R Cave, Headteacher	4	4
Mr J Hunt, Parent Governor	0	3
Ms S Kitson, Parent Governor	4	4
Mr C Lamsdale, Local Authority	4	4
Mr J Taylor, Parent Governor	4	4
Ms N Truman, Appointed Governor	4	4
Mr D White, Appointed Governor	2	4
Ms A McFarlane, Parent Governor	3	4
Mr S Woodhull, Appointed Governor	4	4
Mrs L Gannon, Support Staff Governor	2	2
Mr A Rajantie, Parent Governor	4	4
Mrs R Sadler, Teaching Staff Governor	4	4

REVIEW OF VALUE FOR MONEY

As accounting officer the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by delivering improved outcomes as verified by Ofsted on reduced income.

Improving Educational Results The GCSE results achieved in summer 2015 are personal success stories for year 11 students. Early indications are that these results are significantly positive in terms of value added achieved. This represents value for public money spent.

A2 results show a significant improvement in 2015. A* - B 48% (from 38% in 2014), A* - E is 99% (from 97% in 2014) demonstrating an improvement in overall attainment and a very significant increase in attainment at the highest grades. These are the best results for the academy at A2 level.

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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GOVERNANCE STATEMENT (continued)

Ofsted in May 2015 commented on the appropriateness of the Academy curriculum in meeting the needs of the students. Our successful move to a 'Good' Ofsted grading verifies these improvements and the report notes that there are many aspects of outstanding provision, thereby endorsing the good value that the academy provides in education.

Targeted Improvement The trust has reviewed its staffing structure and deployed staff efficiently to support an improved curriculum. Our School improvement plan details how planned spend on timetable allocation and study support will bring about sustained improvements at all Key Stages over the next period.

Individual Focus The Academy works with a range of alternative providers to supplement the in-house curriculum. This ensures that the challenge and provision for all students is in place. An increased focus on challenge at the top end has resulted in increased A and A* attainment levels in A level in summer 2015. The academy has incorporated new software to track and monitor the expenditure on individual pupils and the impact on education of interventions, our improved results for students in receipt of the pupil premium demonstrate improved value for money for this specific spend.

Quantifying improvements the trust, again, realigned expenditure against income to achieve better value in the period to end 31 August 2015. Staffing budget is tighter and expenditure on non-core purpose activities has been dramatically reduced.

Better Purchasing

- Insurance contract has been renegotiated to give better value for money whilst maintaining the same or improved level of coverage for the Academy.
- All contracts are under continual review.
- Energy cost reduction by going to competitive auction and taking advantage for the academy of lower energy costs. Reduction in annual spend on energy of around £15k pa for the next three years.
- Best value practice is embedded in the school (Governors minutes verify/EFA audit visit say 'Clearly in place').
- Collaborative working between school senior leaders (SBM, Heads, PiXL reciprocal review and audit arrangements) allows sharing of good practice and adds capacity to the leadership team. Reading Secondary Heads work together to support our schools in the local area to make very best of our resources in straightened times.

Income Generation Rental of the Lodge and other letting of facilities bring reliable income. Highdown Sport and Leisure Ltd opened its doors in September 2014 as a wholly owned subsidiary of the Academy with a view to maximising potential income as well as community access to sporting facilities. This has successfully seen revenue generated which is being put back into the facility in order to open fully to the community in September 2015. Increased access in the last 12 months for local club access has been successful with more clubs using HSL and so providing better value to the local community. Highdown School has increased rental of facilities to other local clubs such as drama schools.

Reviewing Controls and managing risks – The academy produces regular budget reports and cash flow reports for leadership consideration. Effective purchase requisitioning processes are in place for all budget holders. The process has integral checks and balances in place to ensure that best value is sought at every turn. Year-end audit demonstrates excellent practice (Governors' Committee reports verify).

Streamlining of systems has occurred to target impact of spend on education. Systems are under continual review. Technology has been maximised to reduce costs – further streamlining of information management packages will improve provision and value.

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GOVERNANCE STATEMENT (continued)

The academy faces many challenges over the next 12 months

i) Increasing numbers of school places in the local area has affected our roll for year 7 2015, despite maximum number of students holding places after allocation. Students held two places locally whilst the new free schools were confirming their opening status. The academy will be well placed to meet the needs of the increasing local demographic come 2016.

ii) Reduced funding for post 16 students has reduced the per capita funding for our post 16 courses. We have marketed strongly in the local area to attract students and have attracted staff from popular local colleges to open new courses.

iii) Increases in employers pension contributions NI have increased our staffing costs. Despite these challenges, the academy is confident that the good financial controls demonstrated in previous years will be successful again in managing cash flow appropriately.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Highdown School and Sixth Form Centre for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks and it has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr Nick Butcher, a Governor, as

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GOVERNANCE STATEMENT (continued)

Responsible Officer (RO)

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

On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities

The Audit committee and RO have a role in resolving any concerns that are raised with the headteacher and/or the FSP and are not resolved by these routes

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Governing Body on 24/11/2015 and signed on its behalf, by



John Taylor
Chair of Governors



Rachel Cave
Accounting Officer

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Highdown School and Sixth Form Centre I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014)

I confirm that I and the Academy Governing Body are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2014)

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



Rachel Cave
Accounting Officer

Date 24/11/15

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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STATEMENT OF GOVERNORS RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors (who are also Directors of Highdown School and Sixth Form Centre for the purposes of company law) are responsible for preparing the Governor's Annual Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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


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

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

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

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

Approved by order of the members of the Governing Body on 24/11/2015 and signed on its behalf by



Mr J Taylor
Chair of Governors

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIGHDOWN SCHOOL AND SIXTH FORM CENTRE

We have audited the financial statements of Highdown School and Sixth Form Centre for the year ended 31 August 2015 which comprise the group Statement of financial activities, the group and academy Balance sheets, the group Cashflow statement, the group Statement of total recognised gains and losses and the related notes

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governor's responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIGHDOWN SCHOOL AND SIXTH FORM CENTRE

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable academy's affairs as at 31 August 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Academies' Accounts Direction 2014 to 2015 issued by the Education Funding Agency and
- have been prepared in accordance with the requirements of the Companies Act 2006

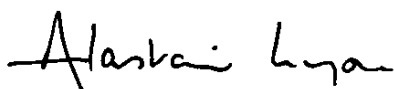
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Alastair Lyon (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Chartered Accountants
Statutory Auditor

49 - 51 Blagrove Street
Reading
Berkshire
RG1 1PL
Date

11 December 2015

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HIGHDOWN SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Highdown School and Sixth Form Centre during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Highdown School and Sixth Form Centre and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Highdown School and Sixth Form Centre and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Highdown School and Sixth Form Centre and EFA, for our work, for this report, or for the conclusion we have formed

RESPECTIVE RESPONSIBILITIES OF HIGHDOWN SCHOOL AND SIXTH FORM CENTRE'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Highdown School and Sixth Form Centre's funding agreement with the Secretary of State for Education dated 29 October 2010, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HIGHDOWN
SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION FUNDING AGENCY (continued)

Crowe Clark Whitehill

Crowe Clark Whitehill LLP

Chartered Accountants
Statutory Auditor

49 - 51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date *11 December 2015*

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	3,110	-	-	3,110	-
Activities for generating funds	4	526,992	-	-	526,992	315,755
Investment income	5	1,808	-	-	1,808	1,333
Incoming resources from charitable activities	6	211,881	7,011,846	27,507	7,251,234	8,550,418
TOTAL INCOMING RESOURCES		743,791	7,011,846	27,507	7,783,144	8,867,506
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income	7	310,610	-	-	310,610	194,973
Charitable activities		318,929	6,887,985	878,302	8,085,216	8,682,488
Governance costs	8	-	16,782	-	16,782	17,118
TOTAL RESOURCES EXPENDED	11	629,539	6,904,767	878,302	8,412,608	8,894,579
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		114,252	107,079	(850,795)	(629,464)	(27,073)
Transfers between Funds	22	-	(80,350)	80,350	-	-
NET RESOURCES EXPENDED		114,252	26,729	(770,445)	(629,464)	(27,073)
Actuarial gains and losses		-	(40,000)	-	(40,000)	(25,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		114,252	(13,271)	(770,445)	(669,464)	(52,073)
<i>Total funds at 1 September 2014</i>		<i>312,014</i>	<i>(1,314,010)</i>	<i>16,040,006</i>	<i>15,038,010</i>	<i>15,090,083</i>
TOTAL FUNDS AT 31 AUGUST 2015		426,266	(1,327,281)	15,269,561	14,368,546	15,038,010

All activities relate to continuing operations

The notes on pages 25 to 45 form part of these financial statements

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2015**

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
	Note					
NET EXPENDITURE FOR THE YEAR	22	114,252	26,729	(770,445)	(629,464)	<i>(27,073)</i>
Actuarial loss related to pension scheme	28	-	(40,000)	-	(40,000)	(25,000)
TOTAL GAINS AND LOSSES RECOGNISED SINCE 1 SEPTEMBER 2014	22	114,252	(13,271)	(770,445)	(669,464)	<i>(52,073)</i>

There is no difference between the income/(expenditure) on ordinary activities for the year stated above and its historical cost equivalent

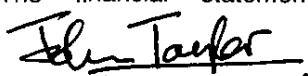
The notes on pages 25 to 45 form part of these financial statements

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)
REGISTERED NUMBER: 07398941

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	17		15,769,561		16,044,052
CURRENT ASSETS					
Debtors	19	141,320		917,161	
Cash at bank		631,599		839,597	
		<u>772,919</u>		<u>1,756,758</u>	
CREDITORS: amounts falling due within one year	20	(270,934)		(965,800)	
NET CURRENT ASSETS			501,985		790,958
TOTAL ASSETS LESS CURRENT LIABILITIES			16,271,546		16,835,010
CREDITORS: amounts falling due after more than one year	21	(450,000)		(500,000)	
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			15,821,546		16,335,010
Defined benefit pension scheme liability	28	(1,453,000)		(1,297,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>14,368,546</u>		<u>15,038,010</u>
FUNDS OF THE ACADEMY					
Restricted fixed asset funds	22		15,269,561		16,040,006
Restricted funds					
Restricted funds excluding pension liability		125,719		(17,010)	
Pension reserve		<u>(1,453,000)</u>		<u>(1,297,000)</u>	
Total restricted funds			(1,327,281)		(1,314,010)
Unrestricted funds	22		<u>426,266</u>		<u>312,014</u>
TOTAL FUNDS			<u>14,368,546</u>		<u>15,038,010</u>

The financial statements were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by


Mr J Taylor
Chair of Governors

The notes on pages 25 to 45 form part of these financial statements

24/11/15

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)
REGISTERED NUMBER: 07398941

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	17		15,769,561		16,044,052
Investments	18		1		-
			<u>15,769,562</u>		<u>16,044,052</u>
CURRENT ASSETS					
Debtors	19	250,127		917,161	
Cash at bank		522,788		839,597	
		<u>772,915</u>		<u>1,756,758</u>	
CREDITORS: amounts falling due within one year	20	(270,934)		(965,800)	
NET CURRENT ASSETS			<u>501,981</u>		<u>790,958</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,271,543</u>		<u>16,835,010</u>
CREDITORS amounts falling due after more than one year	21		(450,000)		(500,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>15,821,543</u>		<u>16,335,010</u>
Defined benefit pension scheme liability	28		(1,453,000)		(1,297,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>14,368,543</u>		<u>15,038,010</u>
FUNDS OF THE ACADEMY					
Restricted fixed asset funds	22		15,269,561		16,040,006
Restricted funds					
Restricted funds excluding pension asset		125,719		(17,010)	
Pension reserve		(1,453,000)		(1,297,000)	
Total restricted funds			<u>(1,327,281)</u>		<u>(1,314,010)</u>
Unrestricted funds	22		<u>426,263</u>		<u>312,014</u>
TOTAL FUNDS			<u>14,368,543</u>		<u>15,038,010</u>

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

ACADEMY BALANCE SHEET (continued)
AS AT 31 AUGUST 2015

The financial statements were approved by the Trustees, and authorised for issue, on
and are signed on their behalf, by



Mr J Taylor
Chair of Governors

24/11/15

The notes on pages 25 to 45 form part of these financial statements

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	24	(179,456)	(659,279)
Returns on investments and servicing of finance	25	1,808	(2,280)
Capital expenditure and financial investment	25	(30,350)	902,783
(DECREASE)/INCREASE IN CASH IN THE YEAR		(207,998)	241,224

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(207,998)	241,224
MOVEMENT IN NET FUNDS IN THE YEAR	(207,998)	241,224
Net funds at 1 September 2014	839,597	598,373
NET FUNDS AT 31 AUGUST 2015	631,599	839,597

The notes on pages 25 to 45 form part of these financial statements

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice' (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with certainty.

Grants Receivable

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital Grants

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship Income

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Other Income

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service

Interest receivable is included within the statement of financial activities on a receivable basis

Donated Services and gifts in kind

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

In respect of buildings transferred to the Academy from its previous form as a Foundation School, the open market value of this has been included within voluntary income under the Restricted Fixed Asset Fund. The cost of the building is depreciated over 50 years

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs

Costs of generating funds

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

Charitable activities

Charitable activities are costs incurred in the Academy Trust's educational operations

Governance costs

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

All resources expended are inclusive of irrecoverable VAT

1.5 Fund accounting

General funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors

Restricted funds comprise grants from the EFA/DFG and other donors which are to be used for specific purposes

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.6 Basis of consolidation

The financial statements consolidate the accounts of Highdown School and Sixth Form Centre and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the year are included from the effective date of acquisition

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account

The income and expenditure account for the year dealt with in the accounts of the academy was £33,000 (2014 - £51,000)

1.7 Tangible fixed assets

All assets costing £1,000 or more which have been acquired since the academy was established, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Freehold Land and Buildings that were acquired when the Academy was established are now valued at depreciated replacement cost. The Governors are not expected to revalue the property in the future.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

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

Impairment losses are recognised in the Statement of Financial Activities.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful lives, as follows:

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold Buildings	2% straight line
Motor vehicles	20% straight line
Fixtures & fittings	20% straight line
Computer equipment	20% straight line

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.8 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Taxation

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

1.10 Teacher's Pension Scheme

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

Teachers Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2015.

3. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	3,110	-	-	3,110	-

4. FUNDRAISING INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Facilities and Services	307,464	-	-	307,464	278,058
Lettings	24,917	-	-	24,917	17,158
Other trading income	32,929	-	-	32,929	20,539
Income from Sports Centre	161,682	-	-	161,682	-
	526,992	-	-	526,992	315,755

5. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	1,808	-	-	1,808	1,333

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Operation of academy	211,881	7,011,846	27,507	7,251,234	8,550,418

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants					
General Annual Grant (GAG)	-	6,624,605	-	6,624,605	7,104,877
Capital grants	-	-	27,507	27,507	906,821
Other DfE /EFA grants	-	173,213	-	173,213	191,358
Special Educational Projects	-	199,077	-	199,077	151,912
Other grant	-	14,951	-	14,951	15,834
Trip income	211,881	-	-	211,881	179,616
	211,881	7,011,846	27,507	7,251,234	8,550,418

7. COSTS OF GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Costs of activities for generating funds	237,873	-	-	237,873	194,973
Cost of operating sports centre - other costs	31,472	-	-	31,472	-
Cost of operating sports centre - staff costs	41,265	-	-	41,265	-
	310,610	-	-	310,610	194,973

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	16,782	-	16,782	17,118

9. DIRECT COSTS

	Total 2015 £	Total 2014 £
FRS 17 costs	33,000	51,000
Educational supplies	309,498	294,583
Examination fees	137,861	131,148
Staff development	176,611	240,682
Other direct costs	22,887	45,134
Wages and salaries	3,738,796	3,711,459
National insurance	331,016	293,237
Pension cost	570,674	569,577
Depreciation	332,338	288,960
	5,652,681	5,625,780

10. SUPPORT COSTS

	Total 2015 £	Total 2014 £
Recruitment and support	60,142	68,200
Maintenance of premises and equipment	803,672	1,317,549
Cleaning	7,724	11,737
Rent and rates	98,735	105,178
Insurance	34,822	50,801
Security and transport	35,953	39,284
Professional consulting costs	8,131	3,252
Catering	193,347	173,157
Other support costs	187,644	249,736
Wages and salaries	840,588	879,542
National insurance	54,769	44,572
Pension cost	107,008	113,699
	2,432,535	3,056,707

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11. RESOURCES EXPENDED

	Staff costs	Premises	Other costs	Total	<i>Total</i>
	2015	2015	2015	2015	<i>2014</i>
	£	£	£	£	£
Costs of generating voluntary income	41,265	-	269,345	310,610	194,973
Costs of generating funds	41,265	-	269,345	310,610	194,973
Direct costs	4,640,486	332,338	679,857	5,652,681	5,625,780
Support costs	1,002,365	972,460	457,710	2,432,535	3,056,707
Charitable activities	5,642,851	1,304,798	1,137,567	8,085,216	8,682,487
Governance	-	-	16,782	16,782	17,118
	5,684,116	1,304,798	1,423,694	8,412,608	8,894,578

The method used for the apportionment of support costs is disclosed in the accounting policies (note 1)

12. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging

	2015	<i>2014</i>
	£	£
Depreciation of tangible fixed assets		
- owned by the charitable group	332,348	288,960
Auditors' remuneration	16,782	17,118
Operating lease rentals		
- plant and machinery	31,960	36,064

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13. STAFF

Staff costs

Staff costs were as follows

	2015	<i>2014</i>
	£	£
Wages and salaries	4,618,908	<i>4,591,000</i>
Social security costs	387,527	<i>337,809</i>
Other pension costs	677,681	<i>683,276</i>
	<u>5,684,116</u>	<i><u>5,612,085</u></i>

Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows

	2015	<i>2014</i>
	No.	No
Teachers	92	<i>84</i>
Administration and support	80	<i>61</i>
Management	10	<i>9</i>
	<u>182</u>	<i><u>154</u></i>

Higher paid staff

The number of employees whose emoluments fell within the following bands was

	2015	<i>2014</i>
	No.	No
In the band £60,001 - £70,000	2	<i>2</i>
In the band £80,001 - £90,000	0	<i>1</i>
In the band £90,001 - £100,000	1	<i>0</i>
	<u>3</u>	<i><u>3</u></i>

3 of the above employees participated in the TPS. During the year ended 31 August 2015, pension contributions for these members of staff amounted to £31,249 (2014 £29,595)

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14. GOVERNOR'S REMUNERATION AND EXPENSES

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2015 £	2014 £
R Cave	90,000-95,000	80,000-85,000
R Sadler	15,000-20,000	45,000-50,000
J Hunt	20,000-25,000	35,000-40,000
G Haskings	15,000-20,000	
L Gannon	20,000-25,000	

During the year, no Trustees received any reimbursement for travel and subsistence expenses (2014 - £NIL)

Related party transactions involving the trustees are set out in note 26

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,500 (2014 - £1,450). The cost of this insurance is included in the total insurance cost.

16. OTHER FINANCE INCOME

	2015 £	2014 £
Expected return on pension scheme assets	64,000	53,000
Interest on pension scheme liabilities	(97,000)	(104,000)
	<u>(33,000)</u>	<u>(51,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. TANGIBLE FIXED ASSETS

Group and Academy	Freehold property £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	17,012,449	4,860	170,218	177,181	17,364,708
Additions	-	-	7,377	50,480	57,857
At 31 August 2015	17,012,449	4,860	177,595	227,661	17,422,565
Depreciation					
At 1 September 2014	1,111,610	2,835	94,869	111,342	1,320,656
Charge for the year	255,931	972	34,948	40,497	332,348
At 31 August 2015	1,367,541	3,807	129,817	151,839	1,653,004
Net book value					
At 31 August 2015	15,644,908	1,053	47,778	75,822	15,769,561
At 31 August 2014	15,900,839	2,025	75,349	65,839	16,044,052

18. FIXED ASSET INVESTMENTS

Academy	Shares in group undertakings £
Market value	
At 1 September 2014	-
Additions	1
At 31 August 2015	1

19. DEBTORS

	Group		Academy	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	7,976	42,144	5,169	42,144
Amounts owed by group undertakings	-	-	111,614	-
Other debtors	7,525	121,092	7,525	121,092
Prepayments and accrued income	125,819	753,925	125,819	753,925
	141,320	917,161	250,127	917,161

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20. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	50,790	753,846	50,790	753,846
Other taxation and social security	98,356	102,141	98,356	102,141
Local authority loan (unsecured)	50,000	50,000	50,000	50,000
Accruals and deferred income	71,788	59,813	71,788	59,813
	270,934	965,800	270,934	965,800

21. CREDITORS:
Amounts falling due after more than one year

	<u>Group</u>		<u>Academy</u>	
	2015	2014	2015	2014
	£	£	£	£
Local Authority Loan (unsecured)	450,000	500,000	450,000	500,000

The Local Authority Loan represents continuance of the existing liability of the school to pay £50,000 per financial year in respect of the contribution towards borrowing costs for the School Assembly Hall building cost, for a period of 14 years with the first payment being made on 30 September 2011. All subsequent payments are to be made on 30 September in each year.

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22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	312,014	743,791	(629,539)	-	-	426,266
Restricted fixed asset funds						
DfE/EFA capital grants	545,953	-	(545,964)	-	-	(11)
Local government loan	(550,000)	-	-	50,000	-	(500,000)
In kind support - buildings	16,044,053	27,507	(332,338)	30,350	-	15,769,572
	<u>16,040,006</u>	<u>27,507</u>	<u>(878,302)</u>	<u>80,350</u>	<u>-</u>	<u>15,269,561</u>
Restricted funds						
General annual grant	(17,010)	6,624,605	(6,401,526)	(80,350)	-	125,719
Other DfE/EFA grants	-	387,241	(387,241)	-	-	-
Other Restricted funds	(1,297,000)	-	(116,000)	-	(40,000)	(1,453,000)
	<u>(1,314,010)</u>	<u>7,011,846</u>	<u>(6,904,767)</u>	<u>(80,350)</u>	<u>(40,000)</u>	<u>(1,327,281)</u>
Total of funds	<u>15,038,010</u>	<u>7,783,144</u>	<u>(8,412,608)</u>	<u>-</u>	<u>(40,000)</u>	<u>14,368,546</u>

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

Restricted General Funds - The EFA grants must be used to meet the cost of running Highdown School and Sixth Form Centre

Under the funding the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward Note 2 discusses whether it was exceeded

Restricted Fixed Asset Funds - the Restricted Fixed Asset Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose

The transfer figure of £80,350 is comprised of is comprised of current year additions brought from GAG in 2015 of £30,350 and a loan repayment of £50,000

In respect of fixed assets, the difference between the value of the fixed assets on the Balance Sheet and the value of the Fixed Asset Fund in the Statement of Financial Activities is attributable to an agreement

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (continued)

between the Academy and Reading Borough Council, in which the Academy must contribute £650,000 towards the value of the School Hall building. This amount is repayable over 14 years at £50,000 per annum and has been included within creditors. As at 31 August 2015 £150,000 of this loan has been repaid resulting in the £500,000 difference between the value of the fixed assets on the balance sheet and the value in the Statement of Financial Activities.

Unrestricted Funds - represents income generated by The School (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	312,014	743,791	(629,539)	-	-	426,266
Fixed asset funds	16,040,006	27,507	(878,302)	80,350	-	15,269,561
Restricted funds	(1,314,010)	7,011,846	(6,904,767)	(80,350)	(40,000)	(1,327,281)
	<u>15,038,010</u>	<u>7,783,144</u>	<u>(8,412,608)</u>	<u>-</u>	<u>(40,000)</u>	<u>14,368,546</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	15,769,561	15,769,561	16,044,053
Current assets	426,266	346,653	-	772,919	1,756,757
Creditors due within one year	-	(220,934)	(50,000)	(270,934)	(965,800)
Creditors due in more than one year	-	-	(450,000)	(450,000)	(500,000)
Provisions for liabilities and charges	-	(1,453,000)	-	(1,453,000)	(1,297,000)
	<u>426,266</u>	<u>(1,327,281)</u>	<u>15,269,561</u>	<u>14,368,546</u>	<u>15,038,010</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(629,464)	(27,073)
Returns on investments and servicing of finance	(1,808)	2,280
Depreciation of tangible fixed assets	332,348	288,960
Capital grants from DfE	(27,507)	(906,821)
Decrease/(increase) in debtors	775,841	(78,453)
(Decrease)/increase in creditors	(694,866)	7,828
(Decrease) in creditors - school hall loan	(50,000)	(50,000)
FRS 17 adjustments	116,000	104,000
Net cash outflow from operations	(179,456)	(659,279)

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	1,808	1,333
Interest paid	-	(3,613)
Net cash inflow/(outflow) from returns on investments and servicing of finance	1,808	(2,280)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(57,857)	(4,038)
Capital grants from DfE	27,507	906,821
Net cash (outflow)/inflow capital expenditure	(30,350)	902,783

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26. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Academy is required either to reinvest the proceeds or to repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

27. CAPITAL COMMITMENTS

At 31 August 2015 the group and academy had capital commitments as follows

	<u>Group</u>		<u>Academy</u>	
	2015	2014	2015	2014
	£	£	£	£
Contracted for but not provided in these financial statements	-	486,261	-	486,261

28 PENSION COMMITMENTS

The group's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Royal County of Berkshire Pension Scheme Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

Teachers' Pension Scheme

Introduction

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

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28. PENSION COMMITMENTS (continued)

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

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

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

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

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

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28. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £225,000, of which employer's contributions totalled £165,000 and employees' contributions totalled £60,000. The agreed contribution rates for future years are 17.2% for employers and from 5.5% to 12.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,682,000)	(2,281,000)
Fair value of scheme assets	1,229,000	984,000
Net liability	<u>(1,453,000)</u>	<u>(1,297,000)</u>

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(248,000)	(202,000)
Interest on obligation	(97,000)	(104,000)
Expected return on scheme assets	64,000	53,000
Total	<u>(281,000)</u>	<u>(253,000)</u>

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28. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	2,281,000	2,082,000
Current service cost	248,000	202,000
Interest cost	97,000	104,000
Contributions by scheme participants	60,000	47,000
Actuarial Losses/(gains)	1,000	(145,000)
Benefits paid	(5,000)	(9,000)
	<u>2,682,000</u>	<u>2,281,000</u>
Closing defined benefit obligation	<u>2,682,000</u>	<u>2,281,000</u>

Movements in the fair value of the group's share of scheme assets

	2015 £	2014 £
Opening fair value of scheme assets	984,000	914,000
Expected return on assets	64,000	53,000
Actuarial gains and (losses)	(39,000)	(170,000)
Contributions by employer	165,000	149,000
Contributions by employees	60,000	47,000
Benefits paid	(5,000)	(9,000)
	<u>1,229,000</u>	<u>984,000</u>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of total recognised gains and losses was £547,000 loss (2014 - £507,000 loss)

The group expects to contribute £170,000 to its Defined benefit pension scheme in 2016

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2015	2014
Gilts	3.00 %	3 00 %
Equities	6.70 %	6 70 %
Other bonds	3.60 %	3 60 %
Property	5.50 %	5 50 %
Cash	2.90 %	2 90 %
Target Return Portfolio	6.70 %	6 70 %
Commodities	6.70 %	6 70 %
Infrastructure	3.60 %	3 60 %
Longevity Insurance	2.90 %	2 90 %
Alternative Assets	- %	- %

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28. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	5.90 %	5.90 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	26.1	26.0
Retiring in 20 years		
Males	25.1	24.9
Females	28.4	28.3

Amounts for the current and previous two periods are as follows

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(2,682,000)	(2,281,000)	(2,082,000)
Scheme assets	1,229,000	984,000	914,000
Deficit	(1,453,000)	(1,297,000)	(1,168,000)
Experience adjustments on scheme liabilities	(1,000)	145,000	28,000
Experience adjustments on scheme assets	(39,000)	(170,000)	-

29. OPERATING LEASE COMMITMENTS

At 31 August 2015 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
Group	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Within 1 year	-	-	29,856	4,219
Between 2 and 5 years	-	-	2,105	31,960

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30. MEMBERS' LIABILITIES

Every member of the charitable company undertakes such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one period after he or she ceases to be a member, for the payment of the Trusts debts and liabilities before he or she ceases to be a member and of the costs charges and expenses of winding up and for the adjustment of the rights of contributions amongst themselves

31. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account:

Mrs T Taylor - spouse of J Taylor (Chair of Governors') is employed by the school and received remuneration of £17,974 in the period of account. No balance was owing to or from the related party at the year end. In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

FRS8 does not require disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

32. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Highdown Sport and Leisure Ltd	England and Wales	100	Leisure Centre operator