

Company Registration Number: 07398941

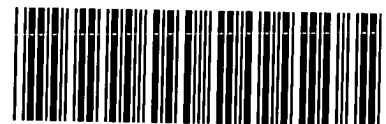
HIGHDOWN SCHOOL AND SIXTH FORM CENTRE

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

Trustees

Ms R Cave, Headteacher
Mrs A Chenery, Appointed Governor
Mr M Cuttin, Parent Governor
Mrs L Gannon, Staff Governor (resigned 1 May 2019)
Ms C Lamsdale, Local Authority (resigned 19 July 2019)
Mr S Lovelock, Appointed Governor
Mrs G Monro, Responsible officer
Mr B Murphy, Appointed Governor
Mr A Ranjantie, Parent Governor
Mrs R Sadler, Staff Governor
Mrs S Siddiqui, Parent Governor
Mr J Taylor, Parent Governor (resigned 19 July 2019)
Mr T Taylor, Appointed Governor (resigned 19 July 2019)
Mr S Woodhull, Appointed Governor
Ms S Morris, Staff Governor

Company registered number

07398941

Company name

Highdown School and Sixth Form Centre

Principal and registered office

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

Company secretary

Mrs A Martin

Senior management team

Ms R Cave, Headteacher
Mr M Grantham, Deputy Headteacher
Mr J Reid, Deputy Headteacher

Independent auditor

Crowe U.K. LLP, Aquis House, 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 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2018 to 31 August 2019. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

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 1,540 and had a roll of 1,315 in the school census for the Summer 2019 term.

Structure, governance and management

CONSTITUTION

Highdown School and Sixth Form Centre (the Academy) is a company limited by guarantee with no s 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

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

TRUSTEES' INDEMNITIES

For the year to 31 August 2019 the school held professional indemnity insurance for Governors to the value of £5,000,000.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION 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.

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 2019 and subsequently, are listed on page 1.

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REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The salary range for all staff paid on the leadership spine will take into consideration the provisions of the STPCD together with any broader responsibilities that may be attached to the role.

Headteacher

The Individual School Range (ISR) of 7 points for the headteacher will also be determined by reference to the school group size and the appropriate positioning of the pay range of any deputy or assistant head teacher at the school.

Deputy Headteachers and Assistant Headteachers

The 5 point salary range for deputy headteachers and assistant headteachers shall be determined taking into account the appropriate positioning of the pay range of the head teacher and any other member of the leadership group at the school.

TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	3,534
Total pay bill	5,748,719
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	1 %
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HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

GOVERNORS, EXECUTIVES AND SPECIFIC RESPONSIBILITIES

Governors, Executives and specific responsibilities

Local Council representative: Mrs C Lamsdale (T&L)

Parent Governors:

Mr M Cuttin (T&L/FSP)

Mrs G Monro (FSP)

Mr A Rajantie (T&L)

Mrs S Siddiqui (T&L)

Mr J Taylor (T&L/FSP)

Staff Governors:

Mrs L Gannon (T&L/FSP)

Mrs R Sadler (T&L/FSP)

Ms S Morris (FSP)

Headteacher: Ms R Cave (T&L/FSP)

Appointed Governors:

Mrs A Chenery (FSP)

Mr S Lovelock (T&L)

Mr B Murphy (T&L/FSP)

Mr T Taylor (FSP)

Mr S Woodhull (T&L/FSP)

Clerk to the Governors: Mrs A Martin

Chair of Governors: Mr J Taylor

Vice Chair: Mr S Woodhull

COMMITTEE CHAIRS & OTHER ROLES:

* Teaching and Learning committee (T&L) Chair: Mr A Rajantie

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

Audit committee:

Chair: Mrs G Monro

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and Activities

OBJECTIVES, STRATEGIES AND ACTIVITIES

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.

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 2018-21. 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 Wokingham Federation to train teachers via the Schools Direct Scheme. A senior colleague 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.

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 2019

Achievements and performance

Strategic report

KEY PERFORMANCE INDICATORS

For a school the key performance indicators are around achievement and wellbeing 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.

GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy 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 Accounting Policies.

RESERVES POLICY

The Governors have plans to agree a formal reserves policy during the year ended 31 August 2019. At the current time, there is no reserve taking into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects. This applies particularly to the funds earmarked for future capital projects.

The level of reserves will be kept under review by the Governors in the future. 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 £3,396,000 has been recognised as a liability in the accounts; this does not represent an immediately repayable debt.

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.

Fundraising

The majority of the School's income is derived from grant funding. The school does receive a small number of donations but does not raise any funds direct from the public.

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REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

FUTURE DEVELOPMENTS

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 committee to academic excellence and lifelong learning.

FUNDS HELD AS CUSTODIAN

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

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

AUDITOR

The auditor, Crowe U.K. LLP, year indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 26/11/19 and signed on its behalf by:

Mrs G Monro
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 Statement of Trustees' responsibilities. The Governing Body has formally met 4 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	4	4
Mrs A Chenery, Appointed Governor	4	4
Mr M Cuttin, Parent Governor	4	4
Mrs L Gannon, Staff Governor	1	3
Ms C Lamsdale, Local Authority	3	4
Mr S Lovelock, Appointed Governor	3	4
Mrs G Monro, Responsible officer	4	4
Mr B Murphy, Appointed Governor	2	4
Mr A Ranjantie, Parent Governor	3	4
Mrs R Sadler, Staff Governor	3	4
Mrs S Siddiqui, Parent Governor	4	4
Mr J Taylor, Parent Governor	4	4
Mr T Taylor, Appointed Governor	4	4
Mr S Woodhull, Appointed Governor	3	4
Ms S Morris, Staff Governor	3	4

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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
Mrs A Chenery, Appointed Governor	3	5
Mr M Cuttin, Parent Governor	4	5
Mrs L Gannon, Support Staff Governor	2	3
Mrs G Monro, Parent Governor	5	5
Mr B Murphy, Appointed Governor	4	5
Mr J Taylor, Parent Governor	5	5
Mr T Taylor, Appointed Governor	4	5
Mrs R Sadler, Teaching Staff Governor	4	5
Mr S Woodhull, Appointed Governor	3	5
Ms S Stevens	2	3

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 M Cuttin, Parent Governor	2	4
Mrs R Sadler, Teaching Staff Governor	1	4
Mr C Lamsdale, Local Authority	3	4
Mr S Lovelock, Appointed Governor	0	4
Mr J Taylor, Parent Governor	2	4
Mr A Rajantie, Parent Governor	4	4
Mrs S Siddiqui, Parent Governor	3	4
Mr S Woodhull, Appointed Governor	2	4
Mrs L Gannon, Support Staff Governor	2	3
Mr B Murphy, Appointed Governor	3	4

REVIEW OF VALUE FOR MONEY

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

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

Governance of Highdown School and Sixth Form Centre is robust and ensures good value.

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

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GOVERNANCE STATEMENT (continued)

value for money during the year by again delivering improved outcomes on reduced income.

Improving Educational Results: The GCSE and A level results achieved in summer 2019 are personal success stories for our students. Early indications are that these results are significantly positive for the vast majority of students in terms of value added achieved. This represents value for public money spent.

GCSE results show a 5% improvements on many key benchmarks and an improvement in highest grades, with 27% at 7+. A level results show maintained outstanding progress and superb progression to university.

Targeted Improvement: The trust has reviewed its staffing structure and deployed staff efficiently to support an improved curriculum. Our Academy 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 and with particular focus on personalisation of learning for all.

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. A continued focus on challenge at the top end has resulted in increased A and A* attainment levels in GCSE and A level in summer 2019. 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. The achievement gap has diminished this year for these students.

Quantifying improvements: the trust, again, realigned expenditure against income to achieve better value in the period to end August 2019. Staffing budget remains tight and reduced level of expenditure on non-core purpose activities has been maintained.

Value for Money Purchasing:

- All contracts are under continual review.
- Best value practice is embedded in the school (Governors minutes verify/ESFA audit visit say 'Clearly in place').
- Collaborative working between school senior leaders (SBL, 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.

Deficit: The academy has achieved a small surplus from deficit at the start of the year with continued tight controls and generation of income.

The academy has received a small loan from the ESFA to support cashflow in year 2018-19. There are strict criteria for the application of this and Governance checks to ensure compliance are rigorous. All conditions have been met. The academy will now commence payback.

This loan was helpful, however, it is in no way sufficient to address all funding challenges. It does not support, for example IT infrastructure replacement at end of life or premises maintenance (for an Estate with high numbers of listed buildings and associated challenges)

Successfully marketing for increased roll: we were asked to take an additional 30 students by Reading Borough Council, taking our PAN for year 7 to 280. We received growth funding from Reading LA to do this. This reflects the increased popularity of Highdown as other schools in the LA are not full. We are proud that more children will benefit from the excellent educational provision here at Highdown.

Income Generation: Rental of the Lodge and other letting of facilities bring reliable income. Highdown School 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 and donated to the academy. Highdown

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GOVERNANCE STATEMENT (continued)

continues to market this resource for community provision and to secure funds for the academy. Planned extension of flood-lit provision continues to be hampered by planning constraints.

Lack of support from EFSA for a bid to replace dangerous and out of date boiler and changing facilities has *reduced our income this year.*

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.

The academy faces many challenges over the next 12 months:

- Provision for our expanded PAN
- Working with ESFA to properly resource the academy to provide for our students' education
- 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. Threats of competition locally
- Increases in employers pension contributions, NI and unfunded pay awards have increased our staffing costs
- Develop the estates to provide income and resources for the academy

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 2018 to 31 August 2019 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, that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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GOVERNANCE STATEMENT (continued)

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 Audit 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 Governors have appointed:

The reviewer'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 reviewer reports to the Governing Body through the audit committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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 external auditor;
- 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 the 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 **26/11/19** and signed on their behalf, by:



Ginny Monro
Chair of Governors



Rachel Cave
Accounting Officer

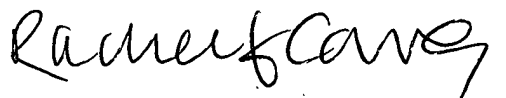
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Highdown School and Sixth Form Centre I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



Rachel Cave
Accounting Officer

26 November 2019

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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STATEMENT OF GOVERNORS RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills 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:

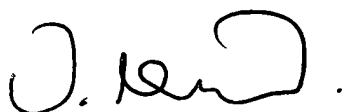
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/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 26/11/19 and signed on its behalf by:



Mrs G Monro
Chair of Governors

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HIGHDOWN SCHOOL AND SIXTH FORM CENTRE**

OPINION

We have audited the financial statements of Highdown School and Sixth Form Centre (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2019 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, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent academy's affairs as at 31 August 2019 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HIGHDOWN SCHOOL AND SIXTH FORM CENTRE**

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report (which includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement), other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the group and the parent academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Group Strategic Report.

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

- the parent 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 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.

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

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HIGHDOWN SCHOOL AND SIXTH FORM CENTRE**

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

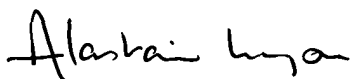
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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.

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 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 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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Lyon (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street

Reading
Berkshire

RG1 1PL

Date:

11 December 2014

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HIGHDOWN
SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 October 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the ESFA 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Highdown School and Sixth Form Centre and the ESFA, 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

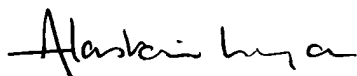
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alastair Lyon

Crowe U.K. LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 11 December 2019

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME AND ENDOWMENTS FROM:						
Donations and capital grants	3	-	-	-	-	492
Charitable activities	6	230,771	6,687,369	477,618	7,395,758	6,707,215
Other trading activities	4	300,597	-	-	300,597	308,163
Investments	5	2,555	-	-	2,555	510
Other income		5,765	-	-	5,765	-
TOTAL INCOME AND ENDOWMENTS		539,688	6,687,369	477,618	7,704,675	7,016,380
EXPENDITURE ON:						
Raising funds		142,505	-	-	142,505	147,022
Charitable activities		475,390	6,776,848	335,526	7,587,764	7,552,326
TOTAL EXPENDITURE	9	617,895	6,776,848	335,526	7,730,269	7,699,348
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	21	(78,207)	(89,479)	142,092	(25,594)	(682,968)
		-	(39,870)	39,870	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(78,207)	(129,349)	181,962	(25,594)	(682,968)
Actuarial gains/(losses) on defined benefit pension schemes	26	-	(483,000)	-	(483,000)	580,000
NET MOVEMENT IN FUNDS		(78,207)	(612,349)	181,962	(508,594)	(102,968)
RECONCILIATION OF FUNDS:						
Total funds brought forward		369,822	(2,972,132)	14,623,044	12,020,734	12,123,702
TOTAL FUNDS CARRIED FORWARD		291,615	(3,584,481)	14,805,006	11,512,140	12,020,734

The notes on pages 24 to 47 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 2019**

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	15		15,119,657		15,073,044
CURRENT ASSETS					
Debtors	17	232,216		129,633	
Cash at bank and in hand		644,217		282,316	
		<u>876,433</u>		<u>411,949</u>	
CREDITORS: amounts falling due within one year	18	(737,950)		(329,259)	
NET CURRENT ASSETS			<u>138,483</u>		<u>82,690</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,258,140</u>		<u>15,155,734</u>
CREDITORS: amounts falling due after more than one year	19		(350,000)		(510,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>14,908,140</u>		<u>14,645,734</u>
Defined benefit pension scheme liability	26		(3,396,000)		(2,625,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>11,512,140</u></u>		<u><u>12,020,734</u></u>
FUNDS OF THE ACADEMY					
Restricted fixed asset funds	21		14,805,006		14,623,044
Restricted income funds:					
Restricted income funds excluding pension liability		(188,481)		(347,132)	
Pension reserve		(3,396,000)		(2,625,000)	
Total restricted income funds			<u>(3,584,481)</u>		<u>(2,972,132)</u>
Unrestricted income funds	21		<u>291,615</u>		<u>369,822</u>
TOTAL FUNDS			<u><u>11,512,140</u></u>		<u><u>12,020,734</u></u>

The financial statements on pages 20 to 47 were approved by the Trustees, and authorised for issue, on 26/11/19 and are signed on their behalf, by:


Mrs G Monro
Chair of Governors

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE

(A company limited by guarantee)

REGISTERED NUMBER: 07398941

**ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	15		15,119,657		15,073,044
Investments	16		1		1
			<u>15,119,658</u>		<u>15,073,045</u>
CURRENT ASSETS					
Debtors	17	423,548		211,717	
Cash at bank		449,225		169,212	
		<u>872,773</u>		<u>380,929</u>	
CREDITORS: amounts falling due within one year	18	(734,291)		(298,240)	
NET CURRENT ASSETS			<u>138,482</u>		<u>82,689</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,258,140</u>		<u>15,155,734</u>
CREDITORS: amounts falling due after more than one year	19		(350,000)		(510,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>14,908,140</u>		<u>14,645,734</u>
Defined benefit pension scheme liability	26		(3,396,000)		(2,625,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>11,512,140</u></u>		<u><u>12,020,734</u></u>
FUNDS OF THE ACADEMY					
Restricted fixed asset funds			14,678,386		14,623,044
Restricted funds:					
Restricted funds excluding pension asset		(203,222)		(347,132)	
Pension reserve		(3,396,000)		(2,625,000)	
Total restricted funds			<u>(3,599,222)</u>		<u>(2,972,132)</u>
Unrestricted funds			432,976		369,822
TOTAL FUNDS			<u><u>11,512,140</u></u>		<u><u>12,020,734</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 26/11/19 and are signed on their behalf, by:

Mrs G Monro
Chair of Governors



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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	23	<u>169,177</u>	<u>(149,697)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,555	510
Purchase of tangible fixed assets		(287,449)	(32,025)
Capital grants from DfE Group		<u>477,618</u>	<u>26,686</u>
Net cash provided by/(used in) investing activities		<u>192,724</u>	<u>(4,829)</u>
Change in cash and cash equivalents in the year		361,901	(154,526)
Cash and cash equivalents brought forward		<u>282,316</u>	<u>436,842</u>
Cash and cash equivalents carried forward	24	<u><u>644,217</u></u>	<u><u>282,316</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Highdown School and Sixth Form Centre constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

Capital grants are recognised when there is entitlement 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 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 receipt is probable and it is measurable.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.5 Fund accounting

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

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

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 academy has taken advantage of the exemption contained within section 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 £25,594 (2018 - £(682,968)).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets

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

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

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

Freehold Buildings	-	2% straight line
Furniture and fixtures	-	20% straight line
Plant and equipment	-	10% straight line
Computer equipment	-	20% straight line

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

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.14 Teacher's Pension Scheme

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2019 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 2019.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	-	-	-	-	492
<i>Total 2018</i>	492	-	-	492	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Facilities and Services	71,509	-	-	71,509	92,804
Lettings	49,492	-	-	49,492	31,694
Income from Sports Centre	179,596	-	-	179,596	183,665
	300,597	-	-	300,597	308,163
<i>Total 2018</i>	308,163	-	-	308,163	

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5. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	2,555	-	-	2,555	510
<i>Total 2018</i>	<i>510</i>	<i>-</i>	<i>-</i>	<i>510</i>	

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants					
General Annual Grant (GAG)	-	6,134,481	-	6,134,481	5,979,050
Capital grants	-	-	477,618	477,618	26,686
Other DfE /EFA grants	-	231,883	-	231,883	164,789
Special Educational Projects	-	154,434	-	154,434	157,615
Other grant	-	166,571	-	166,571	147,585
Trip income	230,771	-	-	230,771	231,490
	230,771	6,687,369	477,618	7,395,758	6,707,215
<i>Total 2018</i>	<i>231,490</i>	<i>6,449,039</i>	<i>26,686</i>	<i>6,707,215</i>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. DIRECT COSTS

	Total 2019 £	<i>Total 2018 £</i>
Defined benefit pension scheme costs	69,000	76,000
Apprenticeship levy	8,217	8,187
Educational supplies	402,352	227,523
Examination fees	124,948	118,310
Staff development and agency staff	63,109	34,116
Other direct costs	36,710	31,147
Wages and salaries	3,716,575	3,745,610
National insurance	378,931	382,668
Pension cost	799,404	823,422
Depreciation	240,836	240,661
	<u>5,840,082</u>	<u>5,687,644</u>
<i>Total 2018</i>	<u>5,687,644</u>	

8. SUPPORT COSTS

	Total 2019 £	<i>Total 2018 £</i>
Recruitment and support	23,843	27,537
Maintenance of premises and equipment	368,319	392,365
Cleaning	7,569	6,747
Rent and rates	97,179	98,776
Insurance	27,252	27,813
Security and transport	18,612	25,169
Professional consulting costs	3,708	9,502
Catering	19,588	1,397
Other support costs	156,671	188,767
Other governance	11,827	13,325
Wages and salaries	825,965	885,813
National insurance	57,393	59,853
Pension cost	129,756	127,618
	<u>1,747,682</u>	<u>1,864,682</u>
<i>Total 2018</i>	<u>1,864,682</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. EXPENDITURE

	Staff costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising voluntary income					
Direct costs	97,848	-	44,657	142,505	147,022
Support costs	-	-	-	-	-
Activities:					
Direct costs	4,894,910	-	945,172	5,840,082	5,687,644
Support costs	1,013,114	509,398	225,170	1,747,682	1,864,682
	<u>6,005,872</u>	<u>509,398</u>	<u>1,214,999</u>	<u>7,730,269</u>	<u>7,699,348</u>
Total 2018	<u>6,098,377</u>	<u>392,365</u>	<u>1,208,606</u>	<u>7,699,348</u>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	240,836	240,661
Auditor's remuneration - audit	14,135	13,725
Auditor's remuneration - other services	<u>1,820</u>	<u>1,520</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	4,624,616	4,692,561
Social security costs	441,954	446,232
Pension costs	931,085	951,397
	<u>5,997,655</u>	<u>6,090,190</u>
Apprenticeship Levy	8,217	8,187
	<u><u>6,005,872</u></u>	<u><u>6,098,377</u></u>

Staff restructuring costs comprise:

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	91	95
Administration and support	84	80
Management	8	8
	<u>183</u>	<u>183</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	2
In the band £100,001 - £110,000	0	1
In the band £110,001 - £120,000	1	0

3 (2018: 4) of the above employees participated in the TPS. During the year ended 31 August 2018, pension contributions for these members of staff amounted to £41,789 (2018: £51,913).

d. Key management personnel

The key management personnel consist of the head teacher, deputy headteachers and school manager.

Total remuneration of key management personnel totalled £406,528 (2018 - £487,297).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS (continued)

12. GOVERNOR'S REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
R Cave	Remuneration	110,000-115,000	105,000-110,000
	Pension contributions paid	15,000-20,000	15,000-20,000
R Sadler	Remuneration	35,000-40,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
I Wright	Remuneration		70,000-75,000
	Pension contributions paid		10,000-15,000
L Gannon	Remuneration	15,000-20,000	20,000-25,000
	Pension contributions paid	0-5,000	0-5,000
M Grantham	Remuneration	70,000-75,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000
T Taylor (Spouse to Chair of Governors)	Remuneration	25,000-30,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000
J Reid	Remuneration	65,000-70,000	65,000-70,000
	Pension contributions paid	10,000-15,000	10,000-15,000
S Stevens	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Trustees received any reimbursement for travel and subsistence expenses. (2018: £NIL).

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

13. 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 2019 was £2,280.

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14. OTHER FINANCE INCOME

	2019 £	2018 £
Interest on pension scheme liabilities	<u>(69,000)</u>	<u>(76,000)</u>

15. TANGIBLE FIXED ASSETS

Group and Academy	Freehold property £	Furniture and fixtures £	Plant and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2018	17,021,399	188,655	10,905	353,045	17,574,004
Additions	9,800	15,151	247,579	14,919	287,449
At 31 August 2019	<u>17,031,199</u>	<u>203,806</u>	<u>258,484</u>	<u>367,964</u>	<u>17,861,453</u>
Depreciation					
At 1 September 2018	2,022,444	182,298	6,189	290,029	2,500,960
Charge for the year	200,428	4,936	1,209	34,263	240,836
At 31 August 2019	<u>2,222,872</u>	<u>187,234</u>	<u>7,398</u>	<u>324,292</u>	<u>2,741,796</u>
Net book value					
At 31 August 2019	<u>14,808,327</u>	<u>16,572</u>	<u>251,086</u>	<u>43,672</u>	<u>15,119,657</u>
At 31 August 2018	<u>14,998,955</u>	<u>6,357</u>	<u>4,716</u>	<u>63,016</u>	<u>15,073,044</u>

16. FIXED ASSET INVESTMENTS

Academy	Shares in group undertakings £
Market value	
At 1 September 2018 and 31 August 2019	<u>1</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. DEBTORS

	Group		Academy	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	23,988	38,841	20,156	33,788
Amounts owed by group undertakings	-	-	195,165	88,860
Other debtors	43,345	12,418	43,344	10,695
Prepayments and accrued income	164,883	78,374	164,883	78,374
	232,216	129,633	423,548	211,717

18. CREDITORS: Amounts falling due within one year

	Group		Academy	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	201,727	79,936	198,069	51,313
Other taxation and social security	108,638	110,420	108,638	110,420
Loan from ESFA (unsecured)	160,000	-	-	-
Local authority loan (unsecured)	100,001	100,000	260,000	100,000
Accruals and deferred income	167,584	38,903	167,584	36,507
	737,950	329,259	734,291	298,240

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

	Group		Academy	
	2019	2018	2019	2018
	£	£	£	£
Loan from ESFA (unsecured)	-	160,000	-	-
Local authority loan (unsecured)	350,000	350,000	350,000	510,000
	350,000	510,000	350,000	510,000

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.

The loan from the ESFA was provided in the year which was a long term advance of fundings. Repayments are due to begin on 1 October 2019.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial assets measured at amortised cost	711,550	333,582
Financial liabilities measured at amortised cost	872,812	697,820

21. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	369,822	539,688	(617,613)	-	-	291,897
Other General funds	-	-	(282)	-	-	(282)
	<u>369,822</u>	<u>539,688</u>	<u>(617,895)</u>	<u>-</u>	<u>-</u>	<u>291,615</u>
Restricted fixed asset funds						
DfE/EFA capital grants	-	477,618	(94,972)	-	-	382,646
Local government loan	(450,000)	-	-	-	-	(450,000)
In kind support - buildings	15,073,044	-	(240,836)	39,870	-	14,872,078
Other Endowment funds	-	-	282	-	-	282
	<u>14,623,044</u>	<u>477,618</u>	<u>(335,526)</u>	<u>39,870</u>	<u>-</u>	<u>14,805,006</u>
Restricted funds						
General annual grant	(347,132)	6,134,481	(5,940,997)	(39,870)	-	(193,518)
Other DfE/EFA grants	-	552,888	(547,851)	-	-	5,037
Pension reserve	(2,625,000)	-	(288,000)	-	(483,000)	(3,396,000)
	<u>(2,972,132)</u>	<u>6,687,369</u>	<u>(6,776,848)</u>	<u>(39,870)</u>	<u>(483,000)</u>	<u>(3,584,481)</u>
Total of funds	<u>12,020,734</u>	<u>7,704,675</u>	<u>(7,730,269)</u>	<u>-</u>	<u>(483,000)</u>	<u>11,512,140</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.

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

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.

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
General Funds	473,513	540,655	(644,346)	-	-	369,822
Endowment funds						
DfE/EFA capital grants	103,254	26,686	(129,940)	-	-	-
Local government loan	(450,000)	-	-	-	-	(450,000)
In kind support - buildings	15,281,680	-	(240,661)	32,025	-	15,073,044
	<u>14,934,934</u>	<u>26,686</u>	<u>(370,601)</u>	<u>32,025</u>	<u>-</u>	<u>14,623,044</u>
Restricted funds						
General annual grant	(411,858)	5,979,051	(5,882,300)	(32,025)	-	(347,132)
Other DfE/EFA grants	21,113	469,988	(491,101)	-	-	-
Pension reserve	(2,894,000)	-	(311,000)	-	580,000	(2,625,000)
	<u>(3,284,745)</u>	<u>6,449,039</u>	<u>(6,684,401)</u>	<u>(32,025)</u>	<u>580,000</u>	<u>(2,972,132)</u>
Total of funds	<u>12,123,702</u>	<u>7,016,380</u>	<u>(7,699,348)</u>	<u>-</u>	<u>580,000</u>	<u>12,020,734</u>

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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	106,500	-	15,013,157	15,119,657
Current assets	291,897	342,969	241,567	876,433
Creditors due within one year	(106,500)	(531,450)	(100,000)	(737,950)
Creditors due in more than one year	-	-	(350,000)	(350,000)
Provisions for liabilities and charges	-	(3,396,000)	-	(3,396,000)
Difference	(282)	-	282	-
	<u>291,615</u>	<u>(3,584,481)</u>	<u>14,805,006</u>	<u>11,512,140</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	15,073,044	15,073,044
Current assets	369,822	42,127	-	411,949
Creditors due within one year	-	(229,259)	(100,000)	(329,259)
Creditors due in more than one year	-	(160,000)	(350,000)	(510,000)
Provisions for liabilities and charges	-	(2,625,000)	-	(2,625,000)
	<u>369,822</u>	<u>(2,972,132)</u>	<u>14,623,044</u>	<u>12,020,734</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	Group
	£	2018
		£
Net expenditure for the year (as per Statement of Financial Activities)	(25,594)	(682,968)
Adjustment for:		
Depreciation charges	240,836	240,661
Dividends, interest and rents from investments	(2,555)	(510)
Increase in debtors	(102,583)	(137,927)
Increase in creditors	248,691	146,733
Capital grants from DfE and other capital income	(477,618)	(26,686)
Defined benefit pension scheme movements	288,000	311,000
Net cash provided by/(used in) operating activities	169,177	(149,697)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	Group
	£	2018
		£
Cash in hand	644,217	282,316
Total	644,217	282,316

25. 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.

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26. 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 Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

The Academy Trust 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 £544,270 (2018 - £554,919) and at the year-end [enter amount] (2018 - £[enter amount]) was accrued in respect of contributions to this scheme.

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.

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 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.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

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26. PENSION COMMITMENTS (continued)

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal 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.

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 2019 was £220,000 (2018 - £216,000), of which employer's contributions totalled £165,880 (2018 - £159,000) and employees' contributions totalled £54,120 (2018 - £56,000). 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 trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2019	<i>2018</i>
Discount rate for scheme liabilities	1.90 %	<i>2.65 %</i>
Rate of increase in salaries	3.70 %	<i>3.80 %</i>
Rate of increase for pensions in payment / inflation	2.20 %	<i>2.30 %</i>

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

	2019	<i>2018</i>
Retiring today		
Males	22.1	<i>23.1</i>
Females	24.0	<i>25.2</i>
Retiring in 20 years		
Males	23.7	<i>25.3</i>
Females	25.8	<i>27.5</i>

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. PENSION COMMITMENTS (continued)

The group's share of the assets in the scheme was:

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	1,220,000	902,000
Other bonds	318,000	289,000
Property	276,000	264,000
Cash and other liquid assets	172,000	285,000
Target return portfolio	105,000	78,000
Commodities	13,000	36,000
Infrastructure	214,000	129,000
Longevity insurance	(127,000)	(58,000)
	<u>2,191,000</u>	<u>1,925,000</u>

The actual return on scheme assets was £125,000 (2018 - £77,000).

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

	2019 £	2018 £
Current service cost	(321,000)	(394,000)
Past service cost	(62,000)	-
Interest cost	(69,000)	(76,000)
	<u>(452,000)</u>	<u>(470,000)</u>

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

	2019 £	2018 £
Opening defined benefit obligation	4,550,000	4,609,000
Current service cost	321,000	394,000
Interest cost	120,000	120,000
Employee contributions	54,000	56,000
Change in financial assumptions and demographic	555,000	(549,000)
Estimated benefits paid net of transfers	(75,000)	(80,000)
Past service costs	62,000	-
	<u>5,587,000</u>	<u>4,550,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. PENSION COMMITMENTS (continued)

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

	2019 £	2018 £
Opening fair value of scheme assets	1,925,000	1,715,000
Interest income	53,000	46,000
Actuarial losses	72,000	31,000
Employer contributions	164,000	159,000
Employee contributions	54,000	56,000
Benefits paid	(75,000)	(80,000)
Administration expenses	(2,000)	(2,000)
	<u>2,191,000</u>	<u>1,925,000</u>
Closing fair value of scheme assets	<u>2,191,000</u>	<u>1,925,000</u>

27. OPERATING LEASE COMMITMENTS

At 31 August 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2019 £	2018 £
Amounts payable:		
Within 1 year	15,616	17,506
Between 1 and 5 years	6,117	21,732
	<u>21,733</u>	<u>39,238</u>
Total	<u>21,733</u>	<u>39,238</u>

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

Mrs T Taylor - spouse of J Taylor (Chair of Governors') is employed by the school and received remuneration of £26,315 (2018 - £25,713) 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.

FRS 102 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.

29. PRINCIPAL SUBSIDIARIES

Highdown Sports and Leisure Limited

Subsidiary name	Highdown Sports and Leisure Limited
Company registration number	09104080
Basis of control	
Equity shareholding %	100%
Total assets as at 31 August 2019	£ 90,352
Total liabilities as at 31 August 2019	£ 90,351
Total equity as at 31 August 2019	£ 1
Turnover for the year ended 31 August 2019	£ 179,956
Expenditure for the year ended 31 August 2019	£ 114,466
Profit for the year ended 31 August 2019	£ 65,130

The principal address of Highdown Sports and Leisure Limited is Highdown School and Sixth Form Centre, Surley Row, Emmer Green, Reading, RG4 8LR.

30. MEMBERS' LIABILITY

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

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019
