

Company Registration Number: 07398941 (England & Wales)

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Governors	Ms R Cave, Headteacher Prof A Rajantie, Parent Governor Mrs S Siddiqui, Parent Governor Dr C Foulkes, Parent Governor Mrs M Miller, Parent Governor Mr M Cuttin, Appointed Governor Mr W Edwards, Appointed Governor
Company registered number	07398941
Company name	Highdown School and Sixth Form Centre
Registered office	Highdown School and Sixth Form Centre Surley Row Emmer Green Reading RG4 8LR
Company secretary	Mrs R Entwistle
Senior management team	Ms R Cave, Executive Headteacher Mr M Grantham, Head of School Mr J Reid, Deputy Headteacher Dr S Capaldi, 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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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2022 to 31 August 2023. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Highdown School and Sixth Form Centre is an academy for students aged 11 to 18 serving a catchment area in Caversham and Emmer Green, North Reading. It has a student capacity of 1,440 and had a roll of 1571 in the school census for the Summer 2023 term.

Structure, governance and management

a. Constitution

Highdown School and Sixth Form Centre (the Academy) is a company limited by guarantee and an exempt charity with no share capital (registration number 07398941).

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The articles of association require members of the charitable company to appoint not less than three Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

The Governors of Highdown School and Sixth Form Centre are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

For the year to 31 August 2023 the school held professional indemnity insurance for governors to the value of £5,000,000.

d. Method of recruitment and appointment or election of Governors

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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

e. 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 31 August 2023 and subsequently, are listed on page 1.

Procedures for induction and training of trustees are in the Governors Code of Conduct. All Governor training is arranged by the Clerk via the NGA and Reading Governors Association.

f. Governors, Executives and specific responsibilities

Decisions are made according to the Scheme of Delegation.

Governors, Executives and specific responsibilities:

Members:

Prof A Rajantie
Dr C Foulkes
Mr W Edwards

Parent Governors:

Prof A Rajantie (T&L, FSP)
Mrs S Siddiqui (T&L)
Dr C Foulkes (T&L)
Mrs M Miller (FSP)

Staff Governors:

Mr R Larsen (FSP)

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

Appointed Governors:

Mr M Cuttin (T&L, FSP)
Mr W Edwards (FSP, T&L)

Clerk to the Governors: Mrs R Entwistle

Chair of Governors: Prof A Rajantie

Vice Chair: Mr M Cuttin

Committee Chairs and other roles

Teaching and Learning committee (T&L) Chair: Dr C Foulkes
Finance, Staffing & Premises (FSP) Chair: Mr W Edwards
Audit committee Chair: Mrs M Miller

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

Senior Leadership Roles/Responsibilities:

Name	Job title	Key Responsibilities
Ms R E Cave	Headteacher/Accounting Officer	<ul style="list-style-type: none">• Whole school leadership, vision & values• Quality Assurance/control• Strategic Leadership
Mr M Grantham	Head of School	<ul style="list-style-type: none">• Digital Strategy• Policies & Protocols• Practice Development
Mr J Reid	Deputy Headteacher	<ul style="list-style-type: none">• Quality of Education• Curriculum Planning• Evaluation
Dr S Capaldi	Deputy Headteacher	<ul style="list-style-type: none">• Culture for Learning• Designated Safeguarding Lead• Behaviour
Mrs L Holt	School Manager/Chief Financial Officer	<ul style="list-style-type: none">• Financial Management• HR and personnel• Health & Safety• Estate Management
Mr D Clawson	Assistant Headteacher	<ul style="list-style-type: none">• Inclusion & Pathways• Transition• Admissions• Alternative Provision
Mrs S Flynn	Assistant Headteacher	<ul style="list-style-type: none">• Key Stage 4• Raising Standards• Examinations• Middle Leader Development• Designated Safeguarding Officer
Mr A Franks	Assistant Headteacher	<ul style="list-style-type: none">• Key Stage 3• Raising Standards• Timetable• KS3 Assessment
Mrs M Grantham	Assistant Headteacher	<ul style="list-style-type: none">• Learning, Teaching & Innovation• Assessment• Literacy & Numeracy• Professional Learning
Mr J Lester	Associate Senior Leader	<ul style="list-style-type: none">• Personal Development• Student Leadership• Careers across the curriculum

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

g. Related parties and other connected charities and organisations

Our subsidiary Highdown Sport & Leisure Ltd (HSL) has the following organisational structure:

Directors: Ms R Cave, Prof A Rajantie, Mr M Jones

Company no: 09104080

This is wholly owned by Highdown School & Sixth Form Centre. Its purpose is to provide sport and leisure facilities. HSL supports the development of fitness and well-being in our community and for staff and local residents. It is integral to Highdown as part of the community. The facilities are shared by the school during operating hours.

h. 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.

Executive 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.

Head of 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 headteacher and any other member of the leadership group at the school.

i. Trade Unions

Relevant union officials:

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
3	3 x FTE

Percentage of time spent on facility time:

% of time:	Number of employees:
0%	
1% - 50%	3
51% - 99%	
100%	

Trade union facility time is granted on request but is currently zero. Although union officials undertake union duties approximately one hour per week. These are worked outside of teaching hours.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

a. Objectives, strategies and activities

The principal objective and activity of the charitable company is to establish and maintain an independent state school known as Highdown School and Sixth Form Centre. The characteristics of an Academy are a school that:

- Has a broad curriculum
- 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
- To be a regional centre of excellence.

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.

The Academy developed an AIP (Academy Improvement Plan) for 2022-23 based on: Growing Aspiration, Strengthening Respect and Building Excellence. The key focus was embedding the Highdown Approach.

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

c. Related parties

The trust has relationships with other trusts for whom consultancy work is provided by some of the senior leaders. E.g. 2022-23 support for Vale Academy Trust and GLF.

d. Accessibility Arrangements

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.

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GOVERNORS' REPORT (CONTINUED)
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Strategic report

Achievements and performance

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

Examination results:

GCSE - These improved against a National picture of reduced achievement; thereby achieving aims set out in our AIP

Attainment 53.36 (above national average)
Achieving a strong pass (grade 5 or above) in E&M 56.84%
Entering English Baccalaureate 25.7% (Ebacc at 5+)
Ebacc APS 4.79

A Level

Average points score 28
Average A Level Grade C
% A- C – 62%

The overwhelming majority of our students achieved their choice of university places. In a year of national turbulence this was the same proportion as usual.

Number of permanent Exclusions: 1

Number of fixed term exclusions: 95

Overall Attendance: 91% (years 7-11)

b. 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Financial review

Around 91% of the income for the Academy comes from the Education Skills and Funding Agency (ESFA) in the form of the General Annual Grant and other DfE / ESFA grants. 1% was received from the Local Authority in the form of funding for SEN/VI students and growth funding. The remainder is predominantly income streams such as lettings and the wholly owned subsidiary Highdown Sport and Leisure Ltd (HSL). Following the lockdowns of the pandemic, HSL has gradually increased its client base, however increased costs have impacted profits (reducing to £9k this academic year). With HSL we have also included proportionate overhead costs this year.

The Academy has continued to strive to make savings where possible and negotiated well on areas such as utilities meaning we were able to meet budget in these areas, despite the significant increases in energy costs since the Ukraine conflict. Increased salary costs remain a concern as the government are planning to introduce a starting salary of £30K per annum for newly qualified teachers by September 2023. The use of Integrated Curriculum and Financial Modelling (ICFP) will help to ensure that all resources are used as efficiently as possible but there is a risk that if staff costs continue to increase above the budgeted levels as predicted, due to Teaching Staff shortages, then this will seriously impact the efficient running of the Academy.

The overall financial position of the Academy 2022-23 showed an in-year surplus of £329k. A large proportion of this was allocated to support a CIF bid for which we were unsuccessful.

a. Reserves policy

The Governors have agreed a formal reserves policy during the year ended 31 August 2023. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. This applies particularly to the funds earmarked for future capital projects.

The level of reserves will be kept under review by the Governors. In respect of any surplus or deficit recognised in relation to the Academy's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Academy in the form of an increase or decrease in employers pension contributions over a number of years. This year a surplus of £634k has been recognised in the accounts; this does not represent an immediately gain.

b. 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 considered annually by the governing body and ongoing review as detailed for each item. The Risk Register includes many risks to the Academy including Health and Safety, Site Compliance, Cyber Security and Fraud.

The Governors also consider risks in relation to Estates and Health and Safety. This is then monitored by reviewing and challenging reports provided for FSP meeting, and the Audit Committee, as appropriate.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

The academy raises funds each year for causes chosen by students. We also raise additional funds via school fund contributions ensuring these activities conform to recognised standards. This is monitored by the Finance, Staffing & Premises Committee. There have been no complaints 2022-23 and all donations are voluntary. The PTA also raises funds for the academy.

The academy does not use any external fundraisers. All fundraising is monitored by the trustees and form part of our accounts.

Plans for future periods

The Academy's vision is to continue to be a creative, dynamic and exciting school where children value learning. This is supported by a highly motivated, committed team of staff who's resources include a clean and safe environment, excellent resources and training and opportunities aimed to fully meet their needs 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.

These plans are constrained by inadequate public funding.

Funds held as custodian on behalf of others

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

Disclosure of information to auditor

Insofar as the Governors are aware:

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

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 7 December 2023 and signed on its behalf by:



Prof A Rajantie
(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.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Governors has delegated the day-to-day responsibility to the Principal, 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 Board of Governors any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of governors' responsibilities. The Board of Governors has formally met 4 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Ms R Cave, Headteacher	4	4
Prof A Rajantie, Chair of Governors	4	4
Mr M Cuttin, Vice Chair	4	4
Mrs S Siddiqui	0	4
Dr C Foulkes	4	4
Mrs M Miller	3	4
Mr W Edwards	2	4
Mr R Larsen	4	4

The Finance Staffing and Premises Committee is a sub-committee of the main Board of Governors.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Ms R Cave	5	5
Prof A Rajantie (Chair of Governors)	5	5
Mr M Cuttin, Vice-Chair	5	5
Mrs M Miller	5	5
Mr W Edwards	4	5
Mr R Larsen	4	5

The Audit Committee is also a sub-committee of the main Board of Governors.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mrs M Miller	2	2
Dr C Foulkes	2	2
Mr M Cuttin	2	2

The Teaching and Learning Committee is also a sub-committee of the main Board of Governors.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Ms R Cave	4	4
Prof A Rajantie	4	4
Mr M Cuttin, Vice-Chair	4	4
Mrs S Siddiqui	3	4
Dr C Foulkes	3	4
Mr W Edwards	1	4

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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 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, as well as estates safety and management, 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 Board of Governors 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 delivering improved outcomes at a time where the cost of living crisis and Teacher strikes have impacted the Academy's finances and day to day operations.

Improving Educational Results: The GCSE and A level outcomes in summer 2023 are personal success stories for our students.

Our GCSE students had very good outcomes and the majority of them are now in our 6th form. Again, outstanding success for our post 16 students. 77% of our students have gone to university and of these 30% are at Russell Group. Other students have gone into FE courses, apprenticeship or employment.

Growth of the academy:

The success of our 6th form has brought the increased numbers we have been working towards. Since 2021-22 our numbers have remained stable with a less than 3% variance between the academic years for our 6th form totals. In 2023-23 we had 301 students in the 6th Form.

Highdown has grown and now every year group from 7-10 has 250 students. (With one 'bulge' group in year 10 which has 280 during 2022-23). We are pleased that so many more students are able to benefit from a Highdown education and that our marketing and results make us an attractive choice to our community.

Targeted Improvement: The trust continues to review its staffing structure and deploy staff efficiently to support a continually 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. In 2023 the gender gap in achievement was reduced. 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 2023. 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)
- 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.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Reversal of budget deficit position of previous years: The academy has again achieved a surplus this year with continued tight controls and generation of income. The Academy still has two CIF loans that it is paying back. Any in year surplus will be used towards the IT infrastructure replacement as this is nearing end of life and premises maintenance (for an Estate with high numbers of listed buildings and associated challenges). With all individuals and organisations, we face significant challenges with the current cost of living crisis.

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 seen revenue generated which is being put back into the facility and donated to the academy. Highdown continues to market this resource for community provision and to secure funds for the Academy.

We were disappointed to not be successful in our latest CIF bids, which will result in higher maintenance costs. We carefully consider appropriate funding to ensure our site continues to be fit for purpose. We ensure regular maintenance plans are in place, allocating funds appropriately. We also set aside funds to build towards site projects and / or CIF bids. We monitor this through FSP to ensure the site remains safe, well maintained and complies with regulations.

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. In Year internal Scrutiny and year-end audit demonstrates excellent practice (Governors' Committee and audit 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 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 on-going 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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors 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 Board of Governors 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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

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.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors
- regular reviews by the Audit Committee of internal scrutiny and main audit reports which indicate financial performance in the areas of risk identified. It also monitors other areas of compliance, such as: Health and Safety issues, Maintenance Compliance and Cyber security issues.
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

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 internal auditor/reviewer;
- the financial management and governance self assessment process or the school resource management self assessment tool;
- the work of the senior leadership team within the Academy who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 7 December 2023 and signed on their behalf by:



Prof A Rajantie
Chair of Governors



Ms R E Cave
Accounting Officer

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

As accounting officer of Highdown School and Sixth Form Centre, I have considered my responsibility to notify the Academy Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Board of Governors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2022.

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 Governors and ESFA.



Ms R Cave
Accounting Officer

Date:

07/12/23

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements 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 group will continue in business.

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

The Governors are responsible for ensuring that in their conduct and operation the Group and the charitable company apply 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 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 Board of Governors and signed on its behalf by:



Prof A Rajantie
(Chair of Trustees)

Date: 07/12/23

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**

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 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Academy balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy's affairs as at 31 August 2023 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 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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

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

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

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 (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the 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 Governors' report including the Strategic report.

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

- 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of governors' responsibilities, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the Group or the parent Academy or to cease operations, or have no realistic alternative but to do so.

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 (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Academies Financial Handbook 2023 and the Academies Accounts Direction 2022 to 2023. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

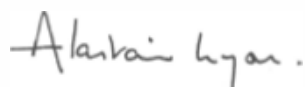
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

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 (CONTINUED)**

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: 13 December 2023

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 AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 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 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 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 1 March 2018 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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)**

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the Academy Trust;
- a review of Minutes of Committees and Board Meetings which may be relevant to regularity;
- consideration of discussions with key personnel, including the Accounting Officer and Governing Body;
- tests of control have been carried out on a control activity which are relevant to regularity
- substantive testing of individual transactions.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe UK LLP

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date: 13 December 2023

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 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	4	44,818	-	66,171	110,989	33,602
Other trading activities	6	399,066	-	-	399,066	376,325
Investments	7	17,653	-	-	17,653	296
Charitable activities	5	298,416	9,496,857	-	9,795,273	9,037,513
Other income		-	-	-	-	24,821
Total income		759,953	9,496,857	66,171	10,322,981	9,472,557
Expenditure on:						
Raising funds		423,682	-	-	423,682	6,535
Charitable activities		41,197	9,222,719	305,928	9,569,844	10,010,829
Total expenditure	8	464,879	9,222,719	305,928	9,993,526	10,017,364
Net income/(expenditure)		295,074	274,138	(239,757)	329,455	(544,807)
Transfers between funds	19	48,188	-	(48,188)	-	-
Net movement in funds before other recognised gains		343,262	274,138	(287,945)	329,455	(544,807)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	26	-	634,000	-	634,000	4,740,000
Net movement in funds		343,262	908,138	(287,945)	963,455	4,195,193

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Note					
Reconciliation of funds:					
Total funds brought forward	873,204	(987,550)	14,234,162	14,119,816	9,924,623
Net movement in funds	343,262	908,138	(287,945)	963,455	4,195,193
Total funds carried forward	<u>1,216,466</u>	<u>(79,412)</u>	<u>13,946,217</u>	<u>15,083,271</u>	<u>14,119,816</u>

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 56 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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	14,396,217	14,684,162
Current assets			
Debtors	16	161,142	131,172
Cash at bank and in hand		2,345,337	1,556,409
		<u>2,506,479</u>	<u>1,687,581</u>
Creditors: amounts falling due within one year	17	(895,123)	(774,898)
Net current assets		<u>1,611,356</u>	<u>912,683</u>
Total assets less current liabilities		<u>16,007,573</u>	<u>15,596,845</u>
Creditors: amounts falling due after more than one year	18	(134,302)	(158,029)
Net assets excluding pension liability		<u>15,873,271</u>	<u>15,438,816</u>
Defined benefit pension scheme liability	26	(790,000)	(1,319,000)
Total net assets		<u><u>15,083,271</u></u>	<u><u>14,119,816</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	13,946,217	14,234,162
Restricted income funds	19	710,588	331,450
		<u>14,656,805</u>	<u>14,565,612</u>
Restricted funds excluding pension asset	19	14,656,805	14,565,612
Pension reserve	19	(790,000)	(1,319,000)
Total restricted funds	19	<u>13,866,805</u>	<u>13,246,612</u>
Unrestricted income funds	19	<u>1,216,466</u>	<u>873,204</u>
Total funds		<u><u>15,083,271</u></u>	<u><u>14,119,816</u></u>

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 23 to 56 were approved by the Governors, and authorised for issue on 7 December 2023 and signed on their behalf, by:



Prof A Rajantie
(Chair of Trustees)

The notes on pages 30 to 56 form part of these financial statements.

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

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	14,396,217	14,684,162
Investments	15	1	1
		<u>14,396,218</u>	<u>14,684,163</u>
Current assets			
Debtors	16	316,404	200,142
Cash at bank and in hand		2,257,348	1,481,806
		<u>2,573,752</u>	<u>1,681,948</u>
Creditors: amounts falling due within one year	17	(971,660)	(770,076)
Net current assets		<u>1,602,092</u>	<u>911,872</u>
Total assets less current liabilities		<u>15,998,310</u>	<u>15,596,035</u>
Creditors: amounts falling due after more than one year	18	(134,302)	(158,029)
Defined benefit pension scheme liability	26	(790,000)	(1,319,000)
Total net assets		<u><u>15,074,008</u></u>	<u><u>14,119,006</u></u>
Funds of the Academy			
Restricted fixed asset funds	19	14,396,217	14,234,162
Restricted funds:			
Restricted funds excluding pension liability	19	339,377	331,450
Pension reserve	19	(1,319,000)	(1,319,000)
Total restricted funds	19	<u>(979,623)</u>	<u>(987,550)</u>
Unrestricted income funds			
Unrestricted funds excluding pension asset	19	1,122,687	872,394
Total unrestricted income funds	19	<u>1,657,414</u>	<u>872,394</u>
Total funds		<u><u>15,074,008</u></u>	<u><u>14,119,006</u></u>

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

ACADEMY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The Academy's net movement in funds for the year was £955,002 (2022 - £4,194,383).

The financial statements on pages 23 to 56 were approved by the Governors, and authorised for issue on 7 December 2023 and are signed on their behalf, by:



Prof A Rajantie
(Chair of Trustees)

The notes on pages 30 to 56 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	21	746,814	647,060
Cash flows from investing activities	23	65,841	(6,851)
Cash flows from financing activities	22	(23,727)	-
Change in cash and cash equivalents in the year		788,928	640,209
Cash and cash equivalents at the beginning of the year		1,556,409	916,200
Cash and cash equivalents at the end of the year	24, 25	<u>2,345,337</u>	<u>1,556,409</u>

The notes on pages 30 to 56 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

The principal activity of Highdown School and Sixth Form Centre is to provide secondary education for pupils aged 11 to 18. The Trust is an exempt charity and a company limited by guarantee (company number: 07398941). It is incorporated and domiciled in the UK. The address of the registered office is Highdown School and Sixth Form Centre, Surley Road, Emmer Green, Reading, Berkshire, RG4 8LR.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Group, which is a public benefit entity under FRS 102, have been prepared under the historic 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 (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Consolidated statement of financial activities (SOFA) and Consolidated 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.

The Academy has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy'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 2023

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Group which amounts to a donation is recognised in the Consolidated statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Group has provided the goods or services.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.4 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**

This includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the Group's educational operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

2.5 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets 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 Consolidated 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 Consolidated 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold Buildings	- 2% straight line
Furniture and equipment	- 10% straight line
Plant and machinery	- 10% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 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 Consolidated statement of financial activities.

2.7 Investments

The academy trust's shareholding in the wholly owned subsidiary, Highdown Sports and Leisure Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

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

2.8 Liabilities

Liabilities 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 Group 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.

2.9 Financial instruments

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group and their measurement bases 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 16. 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 cost as detailed in notes 17 and 18. 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 instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.10 Operating leases

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

2.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Group 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme, and the assets are held separately from those of the Group 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 Consolidated 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.

2.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Academy 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 or 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and 1 month of projected experience.

Other than the LGPS noted above, the Governors consider that there are no other material judgements in applying accounting policies or key sources of estimation uncertainty.

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4. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	44,818	-	44,818
Capital Grants	-	66,171	66,171
	<u>44,818</u>	<u>66,171</u>	<u>110,989</u>
	<u><u>44,818</u></u>	<u><u>66,171</u></u>	<u><u>110,989</u></u>

	<i>Unrestricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	2,900	-	2,900
Capital Grants	-	30,702	30,702
	<u>2,900</u>	<u>30,702</u>	<u>33,602</u>
	<u><u>2,900</u></u>	<u><u>30,702</u></u>	<u><u>33,602</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Funding for the Academy's Educational Operations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Educational activities			
DfE/ESFA grants			
General Annual Grant (GAG)	-	9,139,687	9,139,687
Other DfE/ESFA grants			
Other DfE/ESFA grants	-	220,887	220,887
Special Education projects	-	103,154	103,154
Other grants	-	33,129	33,129
	-	9,496,857	9,496,857
Other income from the Academy's educational activities	298,416	-	298,416
	298,416	9,496,857	9,795,273
	£	£	£
Educational activities			
DfE/ESFA grants			
General Annual Grant (GAG)	-	8,205,002	8,205,002
Other DfE/ESFA grants			
Other DfE/ESFA grants	-	249,626	249,626
Special Education projects	-	187,153	187,153
Other grants	-	190,823	190,823
	-	8,832,604	8,832,604
Other income from the Academy's educational activities	204,909	-	204,909
	204,909	8,832,604	9,037,513
	£	£	£

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Facilities and Services	169,965	169,965
Lettings	57,893	57,893
Income from Sports Centre	171,208	171,208
	<u>399,066</u>	<u>399,066</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Facilities and Services	184,513	184,513
Lettings	40,383	40,383
Income from Sports Centre	151,429	151,429
	<u>376,325</u>	<u>376,325</u>

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	17,653	17,653
	<u>17,653</u>	<u>17,653</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment income	296	296
	<u>296</u>	<u>296</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Expenditure on raising funds				
Direct costs	105,848	31,779	286,055	423,682
Activities:				
Direct costs	6,117,182	305,928	639,734	7,062,844
Support costs	1,356,256	606,568	544,176	2,507,000
	<u>7,579,286</u>	<u>944,275</u>	<u>1,469,965</u>	<u>9,993,526</u>
	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Expenditure on raising funds				
Direct costs	-	-	6,535	6,535
Activities:				
Direct costs	6,322,844	297,983	703,484	7,324,311
Support costs	1,331,701	838,328	516,489	2,686,518
	<u>7,654,545</u>	<u>1,136,311</u>	<u>1,226,508</u>	<u>10,017,364</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational Operations	<u>7,062,844</u>	<u>2,507,000</u>	<u>9,569,844</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Educational Operations	7,324,311	2,686,518	10,010,829

Analysis of direct costs

	Educational activities 2023 £	Total funds 2023 £
Staff costs	5,984,014	5,984,014
Depreciation	305,928	305,928
Educational supplies	369,839	369,839
Examination fees	171,896	171,896
Agency staff	133,168	133,168
Other direct costs	97,999	97,999
	<u>7,062,844</u>	<u>7,062,844</u>

	<i>Educational activities 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	6,220,967	6,220,967
Depreciation	297,983	297,983
Educational supplies	466,537	466,537
Examination fees	159,581	159,581
Staff development and agency staff	102,767	102,767
Other direct costs	76,476	76,476
	<u>7,324,311</u>	<u>7,324,311</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2023 £	Total funds 2023 £
Staff costs	1,356,256	1,356,256
Recruitment and support	29,519	29,519
Maintenance of premises and equipment	606,568	606,568
Cleaning	10,800	10,800
Rent and rates	73,274	73,274
Insurance	30,296	30,296
Security and transport	51,654	51,654
Professional consulting costs	11,176	11,176
Catering	58,161	58,161
Other support costs	238,099	238,099
Other governance	41,197	41,197
	<u>2,507,000</u>	<u>2,507,000</u>

	<i>Educational activities 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	1,335,702	1,335,702
Recruitment and support	27,330	27,330
Maintenance of premises and equipment	856,357	856,357
Cleaning	11,893	11,893
Rent and rates	58,221	58,221
Insurance	31,542	31,542
Security and transport	42,766	42,766
Professional consulting costs	10,276	10,276
Catering	40,424	40,424
Other support costs	253,076	253,076
Other governance	18,931	18,931
	<u>2,686,518</u>	<u>2,686,518</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	305,928	297,983
Fees paid to auditor for:		
- audit	18,750	18,930
- other services	2,600	-
	<u>326,278</u>	<u>316,913</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Wages and salaries	5,534,672	5,284,178	5,534,672	5,289,068
Social security costs	602,378	544,519	602,378	544,519
Pension costs	1,309,068	1,723,081	1,309,068	1,723,082
	<u>7,446,118</u>	<u>7,551,778</u>	<u>7,446,118</u>	<u>7,556,669</u>
Agency staff costs	133,168	102,767	133,168	102,767
	<u>7,579,286</u>	<u>7,654,545</u>	<u>7,579,286</u>	<u>7,659,436</u>

Included in Academy wages and salaries are settlement costs of £Nil (2022: £Nil).

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11. Staff (continued)

b. Staff numbers

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

	Group 2023 No.	<i>Group 2022 No.</i>
Teachers	92	93
Administration and support	111	86
Management	8	9
	211	188

c. Higher paid staff

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

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	5	1
In the band £70,001 - £80,000	-	2
In the band £80,001 - £90,000	2	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

d. Key management personnel

The key management personnel of the Group comprise the Governors and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Group was £474,090 (2022 - £460,447).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2023 £	2022 £
Ms R Cave, Headteacher	Remuneration	120,000 - 125,000	115,000 - 120,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000

During the year ended 31 August 2023, no Governor expenses have been incurred (2022 - £NIL).

13. Governors' and Officers' insurance

In accordance with normal commercial practice, the Group has purchased insurance to protect Governors 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 2023 was £2,255 (2022 - £2,534). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

14. Tangible fixed assets

Group and Academy

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	17,082,481	240,892	369,808	635,871	18,329,052
Additions	-	17,983	-	-	17,983
At 31 August 2023	17,082,481	258,875	369,808	635,871	18,347,035
Depreciation					
At 1 September 2022	2,831,417	210,663	137,922	464,888	3,644,890
Charge for the year	200,584	19,922	42,481	42,941	305,928
At 31 August 2023	3,032,001	230,585	180,403	507,829	3,950,818
Net book value					
At 31 August 2023	14,050,480	28,290	189,405	128,042	14,396,217
At 31 August 2022	14,251,064	30,229	231,886	170,983	14,684,162

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

15. Fixed asset investments

	Investments in subsidiary companies £
Academy	
Cost or valuation	
At 1 September 2022	1
	<hr/>
At 31 August 2023	1
	<hr/> <hr/>
Net book value	
At 31 August 2023	1
	<hr/>
At 31 August 2022	1
	<hr/> <hr/>

Principal subsidiaries

The following was a subsidiary undertaking of the Academy:

Name	Company number	Registered office or principal place of business	Class of shares	Holding	Included in consolidation
Highdown Sports and Leisure Limited	09104080	Highdown School and Sixth Form Centre, Surley Row, Emmer Green, Reading, RG4 8LR	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Highdown Sports and Leisure Limited	172,708	(163,413)	9,295	25,621

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Due within one year				
Trade debtors	26,035	9,380	9,679	7,070
Amounts owed by group undertakings	-	-	171,619	71,282
Other debtors	58,442	42,036	58,441	42,034
Prepayments and accrued income	76,665	79,756	76,665	79,756
	<u>161,142</u>	<u>131,172</u>	<u>316,404</u>	<u>200,142</u>

17. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Other loans	23,727	23,727	23,727	23,727
Trade creditors	63,698	17,356	58,462	12,533
Amounts owed to group undertakings	-	-	93,101	-
Other taxation and social security	275,422	266,148	275,422	266,148
Local authority loan (unsecured)	400,000	400,000	400,000	400,000
Accruals and deferred income	132,276	67,667	120,948	67,668
	<u>895,123</u>	<u>774,898</u>	<u>971,660</u>	<u>770,076</u>

18. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Other loans	84,302	108,029	84,302	108,029
Local authority loan (unsecured)	50,000	50,000	50,000	50,000
	<u>134,302</u>	<u>158,029</u>	<u>134,302</u>	<u>158,029</u>

The Local Authority Loan represents 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 each year. Although this is showing as a liability, this loan is in dispute.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	873,204	759,953	(464,879)	48,188	-	1,216,466
Restricted general funds						
General Annual Grant	299,339	9,139,687	(8,728,438)	-	-	710,588
Other DfE/EFA Grants	32,111	357,170	(389,281)	-	-	-
Pension reserve	(1,319,000)	-	(105,000)	-	634,000	(790,000)
	(987,550)	9,496,857	(9,222,719)	-	634,000	(79,412)
Restricted fixed asset funds						
Fixed assets	14,234,162	66,171	(305,928)	(48,188)	-	13,946,217
Total Restricted funds	13,246,612	9,563,028	(9,528,647)	(48,188)	634,000	13,866,805
Total funds	14,119,816	10,322,981	(9,993,526)	-	634,000	15,083,271

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

Restricted General Funds - ESFA grants (including GAG), which must be used to meet the cost of running Highdown School and Sixth Form Centre.

Restricted Other Funds - represents donations and fundraising income generated by the school, which is for restricted use as stipulated by the donor.

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

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19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds					
General Funds	609,132	609,251	(345,179)	-	873,204
	<u>609,132</u>	<u>609,251</u>	<u>(345,179)</u>	<u>-</u>	<u>873,204</u>
Restricted general funds					
General Annual Grant	25,597	8,205,002	(7,931,260)	-	299,339
Other DfE/EFA grants	134,900	627,602	(730,391)	-	32,111
Pension reserve	(5,502,000)	-	(557,000)	4,740,000	(1,319,000)
	<u>(5,341,503)</u>	<u>8,832,604</u>	<u>(9,218,651)</u>	<u>4,740,000</u>	<u>(987,550)</u>
Restricted fixed asset funds					
Fixed assets	14,656,994	30,702	(453,534)	-	14,234,162
	<u>14,656,994</u>	<u>30,702</u>	<u>(453,534)</u>	<u>-</u>	<u>14,234,162</u>
Total Restricted funds	<u>9,315,491</u>	<u>8,863,306</u>	<u>(9,672,185)</u>	<u>4,740,000</u>	<u>13,246,612</u>
Total funds	<u><u>9,924,623</u></u>	<u><u>9,472,557</u></u>	<u><u>(10,017,364)</u></u>	<u><u>4,740,000</u></u>	<u><u>14,119,816</u></u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	14,396,217	14,396,217
Current assets	1,216,466	1,290,013	-	2,506,479
Creditors due within one year	-	(495,123)	(400,000)	(895,123)
Creditors due in more than one year	-	(84,302)	(50,000)	(134,302)
Provisions for liabilities and charges	-	(790,000)	-	(790,000)
Total	1,216,466	(79,412)	13,946,217	15,083,271

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	14,684,162	14,684,162
Current assets	873,204	814,377	-	1,687,581
Creditors due within one year	(300,000)	(374,898)	(100,000)	(774,898)
Creditors due in more than one year	300,000	(108,029)	(350,000)	(158,029)
Provisions for liabilities and charges	-	(1,319,000)	-	(1,319,000)
Total	873,204	(987,550)	14,234,162	14,119,816

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of financial activities)	329,455	(544,807)
Adjustments for:		
Depreciation	305,928	297,985
Capital grants from DfE and other capital income	(66,171)	(185,506)
Dividends, interest and rents from investments	(17,653)	(296)
Defined benefit pension scheme movements	105,000	557,000
(Increase)/decrease in debtors	(29,970)	412,667
Increase in creditors	120,225	110,017
Net cash provided by operating activities	746,814	647,060

22. Cash flows from financing activities

	Group 2023 £	Group 2022 £
Repayments of borrowing	(23,727)	-
Net cash (used in)/provided by financing activities	(23,727)	-

23. Cash flows from investing activities

	Group 2023 £	Group 2022 £
Dividends, interest and rents from investments	17,653	296
Purchase of tangible fixed assets	(17,983)	(192,653)
Capital grants from DfE Group	66,171	185,506
Net cash provided by/(used in) investing activities	65,841	(6,851)

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24. Analysis of cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>
Cash in hand and at bank	2,345,337	<i>1,556,409</i>
Total cash and cash equivalents	<u>2,345,337</u>	<i><u>1,556,409</u></i>

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,556,409	788,928	2,345,337
Debt due within 1 year	(23,727)	-	(23,727)
Debt due after 1 year	(108,029)	23,727	(84,302)
	<u>1,424,653</u>	<u>812,655</u>	<u>2,237,308</u>

26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £142,418 were payable to the schemes at 31 August 2023 (2022 - £134,611) and are included within creditors.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £927,421 (2022: £915,514) and at the year-end £109,051 (2022 - £106,218) 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.

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26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £396,750 (2022 - £311,000), of which employer's contributions totalled £311,059 (2022 - £240,000) and employees' contributions totalled £85,691 (2022 - £71,000). The agreed contribution rates for future years are 20.6% for employers and 5.5% to 12.5% for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on [GOV.UK](https://www.gov.uk).

Principal actuarial assumptions

Royal County of Berkshire Pension Fund

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	5.30	4.24

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

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26. Pension commitments (continued)

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.7	21.0
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.0	22.3
Females	25.0	25.3

Share of scheme assets

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

	At 31	<i>At 31 August</i>
	August 2023	2022
	£	£
Equities	2,371,000	1,941,000
Other bonds	445,000	479,000
Property	350,000	415,000
Cash and other liquid assets	27,000	52,000
Target return portfolio	-	5,000
Infrastructure	471,000	336,000
Longevity insurance	(172,000)	(126,000)
Total market value of assets	3,492,000	3,102,000

The actual return on scheme assets was £-10,000 (2022 - £175,000).

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

	2023	2022
	£	£
Current service cost	356,000	305,000
Interest cost	50,000	89,000
Administrative expenses	3,000	3,000
Total amount recognised in the Consolidated statement of financial activities	409,000	397,000

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26. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2023 £	2022 £
At 1 September	4,421,000	8,178,000
Current service cost	356,000	705,000
Interest cost	189,000	135,000
Employee contributions	84,000	71,000
Actuarial gains	(783,000)	(4,603,000)
Estimated benefits paid net of transfers	(53,000)	(65,000)
At 31 August	4,214,000	4,421,000

Changes in the fair value of the Group's share of scheme assets were as follows:

	2023 £	2022 £
At 1 September	3,102,000	2,676,000
Interest income	139,000	46,000
Actuarial (losses)/gains	(149,000)	137,000
Employer contributions	304,000	240,000
Employee contributions	84,000	71,000
Benefits paid	(53,000)	(65,000)
Administration expenses	(3,000)	(3,000)
At 31 August	3,424,000	3,102,000

27. Operating lease commitments

At 31 August 2023 the Group and the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Not later than 1 year	49,723	52,082	49,723	52,082
Later than 1 year and not later than 5 years	50,884	49,012	50,884	49,012
	100,607	101,094	100,607	101,094

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28. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

29. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.