

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Ms R Cave, Headteacher Mrs R Sadler, Staff Governor (resigned 23 September 2021) Mrs S Siddiqui, Parent Governor Mr S Lovelock, Appointed Governor (resigned 5 October 2021) Mr M Cuttin, Appointed Governor Mr A Rajantie, Parent Governor Mr W Edwards, Appointed Governor Dr C Foulkes, Parent Governor Mrs M Miller, Parent Governor Mr R Larsen, Staff Governor (appointed 24 September 2021)
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, Headteacher Mr M Grantham, Deputy Headteacher Mr J Reid, Deputy Headteacher Ms D Company, School Manager
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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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2021 to 31 August 2022. 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 pupils aged 11 to 18 serving a catchment area in Caversham and Emmer Green, North Reading. It has a student capacity of 1,540 and had a roll of 1567 in the school census for the Summer 2022 term.

Structure, governance and management

The Board of Trustees has its main body (FGB) and associated committees. The FGB receives reports from all committees and makes decisions accordingly. It sets the strategic direction for the academy with the Senior Leadership of the Academy.

Finance, Staffing and Premises

To monitor cashflow and all ESFA control processes. To propose budget to FGB.
To consider staffing models against income. To compare against national benchmarks and make recommendations accordingly. To consider how best to support our estate and generate revenue therefrom.

Audit and Risk Committee

To review risk register and make recommendations through FSP. To prepare annual report on risk exposure and recommend internal audit processes.

Learning and Teaching Committee

To monitor progress of students against the national benchmarks. To receive reports on subjects requiring closer monitoring. To make recommendations where further intervention is required. To monitor spend of additional grants for student welfare and support.

Headteacher Performance Management and associated HTPM Scrutiny Committee

HTPM committee works with external education consultant to determine progress against standards in line with the National Headteachers' Standards. The Chair of HTPM makes recommendation for HTPM Scrutiny Committee which confirms (or otherwise) that the process has been carried out according to the policy.

Disciplinary Committees/Complaints hearing panels

Convened by the Clerk as needed.

. Constitution

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

. Members' liability

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

Trustees' indemnities

For the year to 31 August 2022 the school held professional indemnity insurance for Governors to the value of £5,000,000.

. Method of recruitment and appointment or election of Trustees

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

. Governors

The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation. On 1 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 during the year to 31st August 2022 and subsequently, to the date these accounts are approved are listed on page 1.

. Arrangements for setting pay and remuneration of key management personnel

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

Headteacher

The Individual School Range (ISR) of 7 points for the Headteacher will also be determined by reference to the school group size and the appropriate positioning of the pay range of any Deputy or Assistant Headteacher at the school.

Deputy Headteachers and Assistant Headteachers

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

. Governors, Executives and specific responsibilities

Governors, Executives and specific responsibilities

Parent Governors:

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

Staff Governors:

Mr R Larsen (FSP)

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

Appointed Governors:

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

Clerk to the Governors: Mrs R Entwistle

Chair of Governors: Mr A Rajantie

Vice Chair: Mr M Cuttin

Committee chairs and other roles:

Learning and Teaching committee (L&T) Chair: Dr C Foulkes

Finance, Staffing & Premises (FSP) Chair: Mr W Edwards

Audit committee Chair: Mrs M Miller

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

Objectives and activities

. Objectives, strategies and activities

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

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

The objectives of the academy are:

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

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

Highdown School and Sixth Form Centre opened as an academy on 1 November 2010.

. Public benefit

The Academy exists for the educational benefit of those students in the community of Emmer Green and Caversham to the north of Reading. The Academy promotes community cohesion at four levels. These are:

- (1) The Academy community,
- (2) The Local Community,
- (3) The United Kingdom Community and
- (4) the Global Community.

The School is proud to have been awarded International School Status for 2018-21. The academy has strong links with HE providers including Reading University, Oxford University and others to support Initial Teacher Training (ITT).

The academy works with Reading School to train teachers via the Schools Direct Scheme. A senior colleague is on the steering group for ITT at Reading University and other institutions to provide training for its own and other ITTs.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

. 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.

Strategic report

Achievements and performance

. Key performance indicators

For a school the key performance indicators are around achievement and wellbeing of the students. There have been significant improvements against national standards in the last year. The School is now recognised as a Good School with outstanding features. The Ofsted report of 2015 details achievements against National Standards.

Examination results:

GCSE

Attainment 8 51.58

Achieving a strong pass (grade 5 or above) in E&M 54.8%

Entering English Baccalaureate 25.7% (Ebacc at 5+)

Ebacc APS 4.68

32% of grades were at 7 and above

72% of students achieved at least a standard pass in both English and Maths

A Level

ALPS 4 (could change with grade reviews)

A Level value added score + 0.05

AVG A Level Grade B-

Students who achieved 3 A Levels at AAB or higher in two facilitating subjects 20.8%

33% of grades are at A/A* and 61% are at A*/B level; this is a positive increase

Number of permanent Exclusions: 2

Number of fixed term exclusions: 81

Overall Attendance: 92% (years 7-11)

. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

. Financial review

Around 93% of the income for the Academy is comes from the Education Skills and Funding Agency (ESFA) in the form of recurrent grants and a further 3% 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 worked to recover its clientele and memberships with the ultimate goal of returning to pre-pandemic levels. Although not fully achieved, they have made significant headway as can be seen from the accounts with a returned profit of £41932.

The other financial impact following the pandemic has been the stunted recovery of catering. Increased cost of food and raw materials has meant that although sales have increased exponentially, the academy has not managed to recover to a profit level in this area. In a bid to support our community and more significantly those families eligible for free school meals and pupil premium the academy has sought to maintain the current pricing structure for students and absorb the additional costs. Moving forward we have revised the pricing structure to ensure that we continue to support our families and community but can also return to a profit state on the contract.

Whilst the Academy has continued to strive to make savings where possible it has done so to help combat the coming years of increased energy costs, increased salary costs as the government aims to introduce a starting salary of £30K per annum for newly qualified teachers by September 2023. Electricity is currently budgeted with an increase of 268% and gas 416%. Without additional funding from the government to support these increases, any surplus achieved by the Academy will be depleted. The use of Integrated Curriculum and Financial Modelling (ICFP) along with an integrated energy management system will help to ensure that all resources are used as efficiently as possible but there is a risk that if energy costs increase above the budgeted levels as predicted then this will seriously impact the efficient running of the Trust

. Reserves policy

The Governors have plans to agree a formal reserves policy during the year ended 31 August 2022. At the current time, the level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. This applies particularly to the funds earmarked for future capital projects.

The level of reserves will be kept under review by the Governors. In respect of any surplus or deficit recognised in relation to the Academy's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Academy in the form of an increase or decrease in employers pension contributions over a number of years. This year a deficit of £5,502,000 has been recognised as a liability in the accounts; this does not represent an immediately repayable debt.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

. Principal risks and uncertainties

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

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

Fundraising

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

Plans for future periods

The Academy's vision is to continue to be a creative, dynamic and exciting school where children value learning supported by a highly motivated, committed team of staff and fuelled by accommodation, resources and opportunities that fully meet their needs, dreams and aspirations.

Future plans, which include provision of a specialist sixth form centre, a sports hall and additional classrooms are driven by this. The Academy works with other schools and universities to provide quality Initial Teacher Training and further research opportunities thus supporting the next generation of teachers and endorsing a committee to academic excellence and lifelong learning.

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 Trustees are aware:

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

Auditor

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on _____ and signed on its behalf by:

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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GOVERNANCE STATEMENT (CONTINUED)

Governance

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

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

Trustee	Meetings attended	Out of a possible
Ms R Cave, Headteacher	4	4
Mr A Rajantie, Parent Governor	4	4
Mr M Cuttin, Appointed Governor	4	4
Mrs S Siddiqui, Parent Governor	4	4
Dr C Foulkes, Parent Governor	4	4
Mrs M Miller, Parent Governor	4	4
Mr W Edwards, Appointed Governor	2	4
Mr R Larsen, Staff Governor	3	3
Mrs R Sadler, Staff Governor	0	1
Mr S Lovelock, Appointed Governor	0	1

The Finance, Staffing and Premises committee is a sub-committee of the main board of trustees. Its purpose is to ensure regularity and propriety in use of the trust's funds, and achieve economy, efficiency and effectiveness – the three elements of value for money. The trustees must also take ownership of the trust's financial sustainability and its ability to operate as a going concern.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ms R Cave, Headteacher	5	5
Mr A Rajantie, Chair of Governors	4	5
Mr M Cuttin, Vice chair	3	5
Mrs M Miller	5	5
Mr W Edwards	4	5
Mr R Larsen	5	5

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Learning and Teaching Committee is also a sub-committee of the main board of trustees. Their purpose is to provide strategic leadership that sets and champions vision, ethos and strategy accountability that drives up educational standards. The challenges they faced this year were remote learning and teacher assessments rather than exam based assessment as a result of the national lockdown arising from the Coronavirus pandemic.

Attendance during the year at meetings was as follows:

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

The Audit Committee is also a sub-committee of the main governing body

Attendance during the year at meetings was as follows:

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

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees 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 again delivering improved outcomes on reduced income.

Improving Educational Results: The GCSE and A level outcomes in summer 2022 are personal success stories for our students. In 2022 these outcomes were again determined by public examination. The school worked hard to ensure that this first examination season since the pandemic was well run, supportive to students and delivered on rigour. This was achieved against a difficult staffing situation and ongoing increased absences.

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. The percentage increase in year 12 students is 45% from 2020-21 to 2021-22. Overall % increase in the Sixth Form is 27% from 2020-21 to 2021-22. There has been another 3% increase in overall Sixth Form numbers as we enter the year 2022-23.

Highdown has grown and now every year group from 7-11 has 250 students. (With one 'bulge' group in year 10) 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 has reviewed its staffing structure and deployed staff efficiently to support an improved curriculum. Our Academy improvement plan details how planned spend on timetable allocation and study support will bring about sustained improvements at all Key Stages over the next period and with particular focus on personalisation of learning for all.

Individual Focus: The Academy works with a range of alternative providers to supplement the in-house curriculum. This ensures that the challenge and provision for all students is in place. In 2022 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 2022. Staffing budget remains tight and reduced level of expenditure on non-core purpose activities has been maintained.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

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.

Reversal of budget deficit position of previous years: The academy has again achieved a small surplus this year with continued tight controls and generation of income. The academy received a small loan from the ESFA to support cashflow in year 2018-19. The academy has been able to pay this ahead of schedule. Again, a testament to the tight financial controls that the academy has embedded. This loan was helpful, however, it is in no way sufficient to address all funding challenges. It does not support, for example, IT infrastructure replacement at end of life or premises maintenance (for an Estate with high numbers of listed buildings and associated challenges). With all individuals and organisations, we face significant challenges with energy increases and costs of other resources soaring.

Income Generation: Rental of the Lodge and other letting of facilities bring reliable income. Highdown School Sport and Leisure Ltd opened its doors in September 2014 as a wholly owned subsidiary of the Academy with a view to maximising potential income as well as community access to sporting facilities. This has successfully seen revenue generated which is being put back into the facility and donated to the academy. Highdown continues to market this resource for community provision and to secure funds for the academy. Planned extension of flood-lit provision continues to be hampered by planning constraints.

We were pleased to receive support from EFSA for collapsing roof repair. However, we were dismayed to not be successful in the bid to replace drainage works which are at end of life and causing significant issues to operating safely. We have appealed this decision. We have support from the local MP for this bid as the provision for swimming and other low-cost fitness provision is a matter of concern for local residents.

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

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

The 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees 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 Trustees 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to buy-in an internal audit service from JD Education Finance Services

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems.

On a quarterly basis, the reviewer reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

JD Education has conducted 3 internal financial assurance audits over the course of the Academic year and these have focussed on all aspects of finance and governance at Highdown School and Sixth Form Centre. All areas were reported as being clear and in line with the ESFA financial handbook as well as internal financial procedures. The recommendation for the Trust to take forward is to review and update the fixed asset register for increased accuracy of reporting.

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GOVERNANCE STATEMENT (CONTINUED)

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 reviewer;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers 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 Finance, Staffing and Premises Committee and the Teaching and Learning Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 5th December 2022 and signed on their behalf by:



Arttu Rajantie, Chair of Trustees

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

As accounting officer of Highdown School and Sixth Form Centre I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place 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 Academies Financial Handbook 2021.

I confirm that I and the Academy Board of Trustees 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 Academies Financial Handbook 2020.

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



Rachel Cave
Accounting Officer
Date:

5th December 2022

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Trustees 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 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees 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 Trustees 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 Trustees 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 Trustees on

and signed on its behalf by:

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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's 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 Trustees 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 Trustees 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 Charities Act 2011 together with the Charities SORP (FRS 102). 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 timing and completeness of income recognition and 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:

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 [enter date here] and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 [enter date here] and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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.

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date:

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 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and capital grants	3	2,900	-	-	2,900	550
Other trading activities		376,325	-	-	376,325	214,418
Investments	6	296	-	-	296	-
Charitable activities		204,909	8,832,604	30,702	9,068,215	8,832,482
Other income		24,821	-	-	24,821	15,674
Total income and endowments		609,251	8,832,604	30,702	9,472,557	9,063,124
Expenditure on:						
Raising funds		6,812	-	-	6,812	64,096
Charitable activities		338,367	9,218,651	453,534	10,010,552	8,963,529
Total expenditure		345,179	9,218,651	453,534	10,017,364	9,027,625
Net movement in funds before other recognised gains/(losses)		264,072	(386,047)	(422,832)	(544,807)	35,499
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	4,740,000	-	4,740,000	(969,000)
Net movement in funds		264,072	4,353,953	(422,832)	4,195,193	(933,501)
Reconciliation of funds:						
Total funds brought forward		609,132	(5,341,503)	14,706,994	9,974,623	10,908,124
Net movement in funds		264,072	4,353,953	(422,832)	4,195,193	(933,501)
Total funds carried forward		873,204	(987,550)	14,284,162	14,169,816	9,974,623

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	14,684,162	14,789,494
		<u>14,684,162</u>	<u>14,789,494</u>
Current assets			
Debtors	15	131,172	543,839
Cash at bank and in hand		1,556,409	916,200
		<u>1,687,581</u>	<u>1,460,039</u>
Creditors: amounts falling due within one year	16	(474,898)	(422,910)
Net current assets		1,212,683	1,037,129
Total assets less current liabilities		15,896,845	15,826,623
Creditors: amounts falling due after more than one year	17	(408,029)	(350,000)
Defined benefit pension scheme liability	24	(1,319,000)	(5,502,000)
Total net assets		14,169,816	9,974,623
Funds of the Academy			
Restricted fixed asset funds	18	14,284,162	14,706,994
Restricted funds:			
Restricted income funds	18	331,450	160,497
Pension reserve	18	(1,319,000)	(5,502,000)
Total restricted funds	18	(987,550)	(5,341,503)
Unrestricted income funds	18	873,204	609,132
Total funds		14,169,816	9,974,623

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 24 to 56 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:

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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	14,684,162	14,789,494
Investments	14	1	1
		<u>14,684,163</u>	<u>14,789,495</u>
Current assets			
Debtors	15	200,142	569,275
Cash at bank and in hand		1,481,806	886,280
		<u>1,681,948</u>	<u>1,455,555</u>
Creditors: amounts falling due within one year	16	(470,076)	(417,933)
		<u>1,211,872</u>	<u>1,037,622</u>
Net current assets		1,211,872	1,037,622
Total assets less current liabilities		15,896,035	15,827,117
Creditors: amounts falling due after more than one year	17	(408,029)	(350,000)
Defined benefit pension scheme liability	24	(1,319,000)	(5,502,000)
		<u>14,169,006</u>	<u>9,975,117</u>
Total net assets		14,169,006	9,975,117
Funds of the Academy			
Restricted fixed asset funds	18	14,284,162	14,706,994
Restricted funds:			
Restricted funds excluding pension liability	18	331,450	160,991
Pension reserve	18	(1,319,000)	(5,502,000)
		<u>(987,550)</u>	<u>(5,341,009)</u>
Total restricted funds	18	(987,550)	(5,341,009)
Unrestricted income funds			
General funds	18	872,394	609,132
		<u>872,394</u>	<u>609,132</u>
Total unrestricted income funds	18	872,394	609,132
		<u>14,169,006</u>	<u>9,975,117</u>
Total funds		14,169,006	9,975,117

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

ACADEMY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The Academy's net movement in funds for the year was £4,194,383 (2021 - £(933,007)).

The financial statements on pages 24 to 56 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:

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 2022

	Note	2022 £	<i>2021</i> £
Cash flows from operating activities			
Net cash provided by operating activities	20	647,356	436,839
Cash flows from investing activities	21	(7,147)	<i>(51,407)</i>
Change in cash and cash equivalents in the year		640,209	<i>385,432</i>
Cash and cash equivalents at the beginning of the year		916,200	<i>530,768</i>
Cash and cash equivalents at the end of the year	22, 23	<u>1,556,409</u>	<u><i>916,200</i></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 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 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.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern.

The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

TO BE FINALISED TO INCLUDE CIRCUMSTANCES PRESENT AT DATE OF APPROVAL OF THE FINANCIAL STATEMENTS.

The Trustees 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 2022

1. Accounting policies (continued)

1.3 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.

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

- **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 2022

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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 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 2022

1. Accounting policies (continued)

1.6 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.

1.7 Investments

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

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.11 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 15. 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 16 and 17. 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.

1.12 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 so as 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 on the basis of 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.

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1. Accounting policies (continued)

1.13 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 Trustees.

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.

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 24, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	2,900	2,900

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3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	550	550
	550	550

4. Funding for the Academy's Educational Operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Direct costs - Activities (Activity 1)				
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,205,002	-	8,205,002
Other DfE/ESFA grants				
Capital grants	-	-	30,702	30,702
Other DfE/EFA grants	-	249,626	-	249,626
Special education projects	-	187,153	-	187,153
Other grant	-	190,823	-	190,823
Trip income	204,909	-	-	204,909
	204,909	8,832,604	30,702	9,068,215
	204,909	8,832,604	30,702	9,068,215
	204,909	8,832,604	30,702	9,068,215

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4. Funding for the Academy's Educational Operations (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Direct costs - Activities (Activity 1)				
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,690,741	-	7,690,741
Other DfE/ESFA grants				
Capital grants	-	-	396,590	396,590
Other DfE/EFA grants	-	258,269	-	258,269
Special education projects	-	112,311	-	112,311
Other grant	-	185,182	-	185,182
Trip income	64,344	-	-	64,344
Coronavirus Job Retention Scheme grant	21,334	-	-	21,334
Covid 19 catch up premium	98,080	-	-	98,080
Other COVID-19 funding	5,631	-	-	5,631
	<u>189,389</u>	<u>8,246,503</u>	<u>396,590</u>	<u>8,832,482</u>
	<u>189,389</u>	<u>8,246,503</u>	<u>396,590</u>	<u>8,832,482</u>
	<u>189,389</u>	<u>8,246,503</u>	<u>396,590</u>	<u>8,832,482</u>

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5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Facilities and Services	184,513	184,513
Lettings	40,383	40,383
Income from Sports Centre	151,429	151,429
Total 2022	<u>376,325</u>	<u>376,325</u>

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Facilities and Services	114,096	114,096
Lettings	28,410	28,410
Income from Sports Centre	71,912	71,912
<i>Total 2021</i>	<i>214,418</i>	<i>214,418</i>

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment income	296	296	-

7. Expenditure

	Other 2022 £	Total 2022 £
Expenditure on raising funds		
Direct costs	6,812	6,812
Activities:		
Direct costs	7,324,034	7,324,034
Support costs	2,686,518	2,686,518
Total 2022	10,017,364	10,017,364

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NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure (continued)

	<i>Staff Costs</i> <i>2021</i> £	<i>Other</i> <i>2021</i> £	<i>Total</i> <i>2021</i> £
Expenditure on raising funds			
Direct costs	64,096	-	64,096
Activities:			
Direct costs	5,997,446	870,846	6,868,292
Support costs	1,149,536	945,701	2,095,237
<i>Total 2021</i>	<u><u>7,211,078</u></u>	<u><u>1,816,547</u></u>	<u><u>9,027,625</u></u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Operations	<u><u>7,324,034</u></u>	<u><u>2,686,518</u></u>	<u><u>10,010,552</u></u>

	<i>Activities undertaken directly 2021</i> £	<i>Support costs 2021</i> £	<i>Total funds 2021</i> £
Educational Operations	<u><u>6,868,292</u></u>	<u><u>2,095,237</u></u>	<u><u>8,963,529</u></u>

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

Analysis of direct costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Defined benefit pension scheme costs	-	66,000
Staff costs	6,220,077	5,997,446
Depreciation	297,983	317,950
Educational supplies	466,550	268,534
Examination fees	159,581	90,481
Staff development and agency staff	121,975	75,197
Other direct costs	57,868	52,684
Total 2022	7,324,034	<i>6,868,292</i>

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	1,335,702	1,149,536
Recruitment and support	27,330	29,837
Maintenance of premises and equipment	856,357	388,224
Cleaning	11,893	12,599
Rent and rates	58,221	94,296
Insurance	31,542	26,978
Security and transport	42,766	36,863
Professional consulting costs	10,276	44,266
Catering	40,424	59,487
Other support costs	253,076	226,186
Other governance	18,931	26,965
	2,686,518	<i>2,095,237</i>

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	<i>2021</i>
	£	£
Depreciation of tangible fixed assets	297,983	<i>317,950</i>
Fees paid to auditor for:		
- audit	18,930	<i>14,675</i>
	18,930	<i>14,675</i>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group	<i>Group</i>	Academy	<i>Academy</i>
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	5,284,178	<i>5,226,583</i>	5,289,068	<i>5,163,228</i>
Social security costs	544,519	<i>576,158</i>	544,519	<i>572,652</i>
Pension costs	1,723,081	<i>1,413,660</i>	1,723,082	<i>1,411,102</i>
	7,551,778	<i>7,216,401</i>	7,556,669	<i>7,146,982</i>

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10. Staff (continued)

b. Staff numbers

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

	Group 2022 No.	<i>Group 2021 No.</i>
Teachers	93	<i>94</i>
Administration and support	86	<i>87</i>
Management	9	<i>8</i>
	188	<i>189</i>

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10. Staff (continued)

c. Higher paid staff

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

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	2
In the band £110,001 - £120,000	1	1
	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £460,447 (2021 £443,766).

11. Trustees' remuneration and expenses

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

		2022	<i>2021</i>
		£	£
R Cave	Remuneration	115,000 - 120,000	<i>115,000 - 120,000</i>
	Pension contributions paid	25,000 - 30,000	<i>25,000 - 30,000</i>

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Group has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £2,534 (2021 - £2,310). 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 2022

13. Tangible fixed assets

Group and Academy

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	17,070,097	213,515	353,995	498,792	18,136,399
Additions	12,384	27,377	15,813	137,079	192,653
At 31 August 2022	<u>17,082,481</u>	<u>240,892</u>	<u>369,808</u>	<u>635,871</u>	<u>18,329,052</u>
Depreciation					
At 1 September 2021	2,628,621	199,231	102,520	416,533	3,346,905
Charge for the year	202,796	11,432	35,402	48,355	297,985
At 31 August 2022	<u>2,831,417</u>	<u>210,663</u>	<u>137,922</u>	<u>464,888</u>	<u>3,644,890</u>
Net book value					
At 31 August 2022	<u><u>14,251,064</u></u>	<u><u>30,229</u></u>	<u><u>231,886</u></u>	<u><u>170,983</u></u>	<u><u>14,684,162</u></u>
At 31 August 2021	<u><u>14,441,476</u></u>	<u><u>14,284</u></u>	<u><u>251,474</u></u>	<u><u>82,260</u></u>	<u><u>14,789,494</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments

Academy	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2021	1
At 31 August 2022	<u>1</u>

15. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Due within one year				
Trade debtors	9,380	15,982	7,070	14,602
Amounts owed by group undertakings	-	-	71,282	26,816
Other debtors	42,035	26,691	42,034	26,691
Prepayments and accrued income	79,757	501,166	79,756	501,166
	<u>131,172</u>	<u>543,839</u>	<u>200,142</u>	<u>569,275</u>

16. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Other loans	23,727	-	23,727	-
Trade creditors	17,356	98,113	12,533	93,136
Other taxation and social security	266,148	135,411	266,148	135,411
Local authority loan (unsecured)	100,000	100,000	100,000	100,000
Accruals and deferred income	67,667	89,386	67,668	89,386
	<u>474,898</u>	<u>422,910</u>	<u>470,076</u>	<u>417,933</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due after more than one year

	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Other loans	108,029	-	108,029	-
Other creditors	300,000	<i>350,000</i>	300,000	<i>350,000</i>
	408,029	<i>350,000</i>	408,029	<i>350,000</i>

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

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds					
General Funds - all funds	609,132	609,251	(345,179)	-	873,204
Restricted fixed asset funds					
Endowment Funds - all funds	14,706,994	30,702	(453,534)	-	14,284,162
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>
Total funds	<u>9,974,623</u>	<u>9,472,557</u>	<u>(10,017,364)</u>	<u>4,740,000</u>	<u>14,169,816</u>

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds	280,162	420,031	(91,061)	-	-	609,132
Other General funds	-	-	-	-	-	-
	<u>280,162</u>	<u>420,031</u>	<u>(91,061)</u>	<u>-</u>	<u>-</u>	<u>609,132</u>
Restricted fixed asset fund						
Capital grants	15,031,551	396,590	(324,554)	53,407	-	15,156,994
Local government loan	(450,000)	-	-	-	-	(450,000)
	<u>14,581,551</u>	<u>396,590</u>	<u>(324,554)</u>	<u>53,407</u>	<u>-</u>	<u>14,706,994</u>
Restricted general funds						
GAG	189,411	7,591,968	(7,702,375)	(53,407)	-	25,597
Other DfE/EFA grants	-	512,386	(512,386)	-	-	-
Covid funding	-	142,149	(7,249)	-	-	134,900
Pension reserve	(4,143,000)	-	(390,000)	-	(969,000)	(5,502,000)
	<u>(3,953,589)</u>	<u>8,246,503</u>	<u>(8,612,010)</u>	<u>(53,407)</u>	<u>(969,000)</u>	<u>(5,341,503)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current 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	-	(374,898)	(100,000)	(474,898)
Creditors due in more than one year	-	(108,029)	(300,000)	(408,029)
Provisions for liabilities and charges	-	(1,319,000)	-	(1,319,000)
Total	873,204	(987,550)	14,284,162	14,169,816

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	14,789,494	14,789,494
Current assets	609,132	483,407	367,500	1,460,039
Creditors due within one year	-	(322,910)	(100,000)	(422,910)
Creditors due in more than one year	-	-	(350,000)	(350,000)
Provisions for liabilities and charges	-	(5,502,000)	-	(5,502,000)
Total	609,132	(5,341,503)	14,706,994	9,974,623

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

	2022	<i>2021</i>
	£	£
Net (expenditure)/income for the year (as per Statement of financial activities)	(544,807)	<i>35,499</i>
Adjustments for:		
Depreciation	297,985	<i>317,950</i>
Capital grants from DfE and other capital income	(185,506)	<i>(396,590)</i>
Defined benefit pension scheme movements	557,000	<i>390,000</i>
Decrease/(increase) in debtors	412,667	<i>(40,839)</i>
Increase in creditors	110,017	<i>130,819</i>
Net cash provided by operating activities	647,356	<i>436,839</i>

21. Cash flows from investing activities

	Group	<i>Group</i>
	2022	<i>2021</i>
	£	£
Purchase of tangible fixed assets	(192,653)	<i>(80,497)</i>
Capital grants from DfE Group	185,506	<i>29,090</i>
Net cash used in investing activities	(7,147)	<i>(51,407)</i>

22. Analysis of cash and cash equivalents

	Group	<i>Group</i>
	2022	<i>2021</i>
	£	£
Cash in hand and at bank	1,556,409	<i>916,200</i>
Total cash and cash equivalents	1,556,409	<i>916,200</i>

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NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	916,200	640,209	1,556,409
Debt due within 1 year	-	(23,727)	(23,727)
Debt due after 1 year	-	(108,029)	(108,029)
	<u>916,200</u>	<u>508,453</u>	<u>1,424,653</u>

24. 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 the Royal County of Berkshire Pension Scheme. Both are multi-employer defined benefit schemes.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £915,514 (2021 - £884,358).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £311,000 (2021 - £275,000), of which employer's contributions totalled £240,000 (2021 - £209,000) and employees' contributions totalled £ 71,000 (2021 - £66,000). The agreed contribution rates for future years are 17.2% per cent for employers and 5.5% to 12.5% per cent 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.

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24. Pension commitments (continued)

Principal actuarial assumptions

Royal County of Berkshire Pension Fund

	2022	<i>2021</i>
	%	%
Rate of increase in salaries	3.9	<i>3.90%</i>
Rate of increase for pensions in payment/inflation	2.9	<i>2.90%</i>
Discount rate for scheme liabilities	4.25	<i>1.65%</i>

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

	2022	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21	<i>21.6</i>
Females	23.8	<i>24.2</i>
<i>Retiring in 20 years</i>		
Males	22.3	<i>23</i>
Females	25.3	<i>25.6</i>

Share of scheme assets

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

	At 31	<i>At 31 August</i>
	August 2022	<i>2021</i>
	£	£
Equities	1,941,000	<i>1,634,000</i>
Other bonds	479,000	<i>477,000</i>
Property	415,000	<i>315,000</i>
Cash and other liquid assets	52,000	<i>55,000</i>
Target return portfolio	5,000	<i>117,000</i>
Infrastructure	336,000	<i>229,000</i>
Longevity insurance	(126,000)	<i>(151,000)</i>
Total market value of assets	3,102,000	<i>2,676,000</i>

The actual return on scheme assets was £175,000 (2021 - £275,000).

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24. Pension commitments (continued)

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2022	<i>2021</i>
	£	£
Current service cost	(705,000)	(533,000)
Interest cost	(89,000)	(64,000)
Administrative expenses	(3,000)	(2,000)
Total amount recognised in the Consolidated Statement of Financial Activities	(797,000)	<i>(599,000)</i>

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

	2022	<i>2021</i>
	£	£
At 1 September	8,178,000	<i>6,316,000</i>
Current service cost	705,000	533,000
Interest cost	135,000	101,000
Employee contributions	71,000	66,000
Actuarial (gains)/losses	(4,603,000)	1,207,000
Estimated benefits paid net of transfers	(65,000)	(45,000)
At 31 August	4,421,000	<i>8,178,000</i>

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

	2022	<i>2021</i>
	£	£
At 1 September	2,676,000	<i>2,173,000</i>
Interest income	46,000	37,000
Actuarial gains	137,000	238,000
Employer contributions	240,000	209,000
Employee contributions	71,000	66,000
Benefits paid	(65,000)	(45,000)
Administration expenses	(3,000)	(2,000)
At 31 August	3,102,000	<i>2,676,000</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

25. Operating lease commitments

At 31 August 2022 the Group and the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022	<i>Group 2021</i>	Academy 2022	<i>Academy 2021</i>
	£	£	£	£
Not later than 1 year	-	52,082	-	52,082
Later than 1 year and not later than 5 years	-	101,094	-	101,094
	<u>-</u>	<u>153,176</u>	<u>-</u>	<u>153,176</u>
	<u><u>-</u></u>	<u><u>153,176</u></u>	<u><u>-</u></u>	<u><u>153,176</u></u>

26. Members' liability

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

27. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees 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.

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FOR THE YEAR ENDED 31 AUGUST 2022

28. Principal subsidiaries

The following was a subsidiary undertaking of the Academy:

Name	Company number	Charity registration number	Registered office or principal place of business
Highdown Sports and Leisure Limited	09104080	N/A	Highdown School and Sixth Form Centre, Surley Row, Emmer Green, Reading, RG4 8LR

Holding	Included in consolidation
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100%	Yes
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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	152,318	(110,386)	41,932	1