

# Highcliffe School

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2019

Company Registration number: 07631213 (England and Wales)

# Highcliffe School

## Contents

Reference and Administrative Details	1 to 2
Governors' Report	3 to 9
Governance Statement	10 to 13
Statement of Regularity, Propriety and Compliance	14
Statement of Governors' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16 to 18
Independent Reporting Accountant's Assurance Report on Regularity	19 to 20
Statement of Financial Activities incorporating Income and Expenditure Account	21 to 22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 to 47

# Highcliffe School

## Reference and Administrative Details

### Members

Mr P D Earnshaw  
Mr P Hilliard (appointed 13 September 2018)  
Mr J Lofts (appointed 23 May 2019)  
Mr S Midgley (appointed 26 January 2019)  
Mrs D Chaffey (resigned 4 July 2019)  
Mr G D Moore (resigned 12 September 2019)

### Governors

Mr P D Earnshaw, \* (Headteacher)  
Mr P Hilliard, \* (Chair of Governors)  
Ms K Dobson, \* (appointed 7 March 2019)  
Ms S Evans  
Mr M Fretten, \* (appointed 23 May 2019)  
Mr N C Geary, \*  
Ms S Hogg (appointed 23 May 2019)  
Mr S Jones (appointed 12 September 2018)  
Mr T Sampson, \*  
Mr M Sedgley, \* (appointed 12 September 2018)  
Mr N Sykes, \* (appointed 23 May 2019)  
Mr S Welch  
Mrs D Chaffey (resigned 4 July 2019)  
Mrs T Heathman (resigned 31 December 2018)  
Mr J Lofts (resigned 23 May 2019)  
Mr S Midgley (resigned 25 January 2019)  
Mr G D Moore, \* (resigned 12 September 2019)

\* Members of the Resources Committee.

# Highcliffe School

## Reference and Administrative Details (continued)

<b>Principal</b>	Mr P D Earnshaw
<b>Company Registration Number</b>	07631213
<b>Independent Auditors</b>	PKF Francis Clark Statutory Auditor Hitchcock House Hilltop Park Devizes Road Salisbury Wiltshire SP3 4UF
<b>Senior Management Team</b>	Mr P D Earnshaw, Headteacher Mr N O'Connor, Deputy Headteacher Mr M Downs, Assistant Headteacher Mr D Prodomo, Assistant Headteacher Ms L Swan, Assistant Headteacher Mr M Yapp, Assistant Headteacher Mr S Fuller, Director of Business and Finance
<b>Principal and Registered Office</b>	Parkside Highcliffe Christchurch Dorset BH23 4QD
<b>Bankers</b>	Lloyds Bank Plc 4 Castle Street Christchurch Dorset BH23 1DU
<b>Solicitors</b>	Blake Laphorn New Kings Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3LG

# Highcliffe School

## Governors' Report for the Year Ended 31 August 2019

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 18 serving a catchment area in East Dorset and the New Forest. It has a pupil capacity of 1,450 and had a roll of 1,415 in the school census at May 2019.

### **Structure, Governance and Management**

#### ***Constitution***

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Governors of Highcliffe School are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Highcliffe School.

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

#### ***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.

#### ***Governors' Indemnities***

The Academy Trust through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Governors.

#### ***Method of recruitment and appointment or election of Governors***

The number of governors serving at any time shall not be subject to any maximum. The members may appoint up to 9 governors. A maximum of 3 staff governors and 6 parent governors can be appointed. Any contested election of parent governors is held by secret ballot. A parent governor must be a parent of a registered student at the academy at the time of the election. The governors may appoint up to 3 co-opted governors. The term of office of any governor is 4 years.

#### ***Policies and procedures adopted for the induction and training of Governors***

The induction and training for new governors will be handled either by a mentor or by the Clerk to the Governors. New governors meet with the Chair of Governors before their first meeting. All new governors are encouraged to attend Dorset's course for new governors. Specialist training is arranged for specific responsibilities such as child protection. Governors are kept updated with changes in education through subscriptions to Dorset Governor Services, Ten Governor, and attendance at training courses run by the Association of School and College Leaders.

# Highcliffe School

## Governors' Report for the Year Ended 31 August 2019 (continued)

### **Organisational Structure**

The Full Governing Body is required to meet at least once per term. Specific business areas are delegated to the following committees on which the Headteacher also sits. Although some of the organisation's activities are delegated to the committees listed below, all of the committees remain answerable to the authority of the Full Governing Board. The School Business Manager and members of the Senior Leadership Team also attend committees as appropriate.

The Resources Committee meets several times a year and oversees financial matters, maintenance of the school site and buildings and health and safety. The Committee also reviews financial controls and risks and agrees relevant programmes of work to implement required improvements. In addition, at least once a year its agenda will review the School's pay policies, the School's Performance Management process and oversee matters relating to staffing, including annual review of the Headteacher's performance.

The School Performance Committee meets at least five times a year and strategically plans and monitors the School's formal and informal curriculum provision. The committee also reviews the school's examination performance. In addition, it oversees the School's admissions policies and procedures, safeguarding and child protection and the transition arrangements for students progressing from primary schools.

All committees conduct an annual review of policies.

### **Arrangements for setting pay and remuneration of key management personnel**

The school is fully aligned with Dorset County Councils pay and conditions and this covers all staff. Key management personnel sit within that grade structure and that level has been determined by Governor review against other similar schools in the locality and is monitored on a regular basis.

### **Trade union facility time**

#### **Relevant union officials**

<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
1	1

#### **Percentage of time spent on facility time**

Percentage of time

0%

**Number of employees**

1

### **Related Parties and other Connected Charities and Organisations**

Highcliffe School leads the Highcliffe Learning Alliance. This network provides a framework for a programme of shared teaching and learning across the age range (primary / secondary). Participating schools value this alliance as part of their school improvement programme.

# Highcliffe School

## Governors' Report for the Year Ended 31 August 2019 (continued)

### Objectives and Activities

#### *Objects and Aims*

Highcliffe recognises that it is a good school however we also always look to continually improve our practices. We believe that the learner should be at the centre of all school activities and that a consistent approach to the experiences provided for our learners is a key feature of our school development plan and it is this belief that informs our Vision Statement of:

**'We believe in the power of education to change lives'**

#### *Objectives, Strategies and Activities*

##### Our Mission

- To provide a safe, nurturing environment that promotes happy confident learners possessing self-discipline, self-motivation and respect for others, who acknowledge their responsibilities toward each other and the wider community.
- Through our teaching to allow students to develop into talented, ambitious young adults equipped with the intellectual and practical skills to enhance their own lives and of those around them.
- To use our resources responsibly to secure maximum achievement in all aspects of our students' education.

Over the course of 2018/2019 the schools' aims were:

Objective 1: Continue to improve the Progress Score at KS4 from the 2017 and 2018 outcomes by significantly reducing variations in subject performance

Objective 2: Continue to improve the Progress Score at Post-16 from the 2017 benchmark outcomes by significantly reducing variations in subject performance

Objective 3: achieve better attendance, behaviour and learning behaviours in Years 7 to 11 in support of Progress, compared to 2017 benchmarks

In 2018/19 the Governing Body continued to respond to changes in the education landscape and accountability, especially around financial planning and regulation. Change was also compounded by our move in to a new local authority (BCP) with some uncertainty at times around our per-pupil funding. In spite of the challenges, the school has achieved a significant amount over 2018/2019 and continues to secure a platform for continued success.

# Highcliffe School

## Governors' Report for the Year Ended 31 August 2019 (continued)

### *Public Benefit*

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

We aim to ensure secure learning for all our students and ensure that they have a relevant experience which will equip them for the future world.

The governors have complied with their duty to have due regard to guidance on public benefit published by the Charity Commission in exercising their power and duties.

The school offers considerable public benefit through its role as a local, non-selective provider of education and the links it has developed with the local community. The school has strong links with multi-agencies such as the family partnership zone, police and social services and runs several focus days for students using police, health and other community organisations as deliverers and advisors.

The school maintains strong links with the local Rotarians organising several joint activities with students and parents. Art and Design work is displayed in public forums and in such permanent displays as at Bournemouth Hospital.

The school maintains strong curriculum links with its seven feeder schools both in Dorset and Hampshire with the Highcliffe Learning Alliance. Outreach work occurs in Mathematics, Modern Foreign Languages, Science, Physical Education, Music and ICT. There are joint events for gifted and talented students (i.e. a Chrismaths evening in December) which are held for parents and students of our feeder schools. There are several whole-day curriculum events for KS2 students (i.e. the Murder Mystery day and KS2 sports).



# Highcliffe School

## Governors' Report for the Year Ended 31 August 2019 (continued)

### Strategic Report

#### Achievements and Performance

GCSE Attainment has remained significantly in excess of national outcomes with the school having now moved all qualifications to the newly reformed GCSE courses. The numbers gaining 5 or more 9-4 including the subjects of English and Maths was sustained at 75% (2018: 79%, 2017: 70%, 2016: 68%, 2015: 68%). When comparing with the new 'Stronger' pass rate of 9-5 including English and Maths the school saw the measure sustained at 47% (2018: 54%, 2017: 42%). The schools provisional Progress 8 score shows a marked improvement to the school's best ever result at +0.07 (2018: -0.06 , 2017: -0.28).

The schools Disadvantaged cohort of students performing broadly in line with the peers in terms of progress. This was evidenced by our second lowest provisional P8 score for disadvantaged students at -0.16 (2018: -0.10).

The schools English Baccalaureate eligibility of 56% (for all students) shows the school's curriculum to be broad and balanced whilst also adapting to the needs of our students. The 32% of students achieving the EBACC measure in 2019 (standard pass) was higher than with the national percentage of 22.8%. The school also embarked on a new Year 9 options system with additional support and guidance around informed student choice and linking with continuing education or training post-16.

The core subjects of English, Mathematics and Science all continued to improve in 2018/2019 resulting in positive progress measures from all three subjects. The strategies embedded in the core subject teams around assessment and subsequent intervention at student or group level over recent years have now been adopted by other subject areas. This has seen a rapid rise in the 'progress' students make in subjects such as Science, History and Geography.

# Highcliffe School

## Governors' Report for the Year Ended 31 August 2019 (continued)

### Strategic Report

#### Sixth Form Outcomes

This year's excellent examination results maintain Highcliffe's position as a leading provider of Sixth Form education in the Christchurch, New Forest and Bournemouth areas and confirm Ofsted's judgement that "the Sixth Form is a real strength of the school."

27% of all grades achieved were the highest A\*/A or Distinction\*/Distinction.

59% of all grades achieved were the top A\* to B or equivalent.

82% of all grades were A\*/A/B/C or equivalent.

Of our applied courses, 57% of the grades achieved were the top Distinction\*/Distinction.

Among the excellent results achieved across all subjects particularly strong results were achieved in A Level Art and Design, A Level Spanish, Music BTEC and EPQ where an amazing 100% of all Grades were the higher A\* to B grades. In A Level Textiles 80% of students received the higher A\*-B grades and in A Level Media Studies 75% achieved A\*-B too. In Sport 83% of the grades on the course were the top Distinction\*/Distinction.

The majority of our students achieved results allowing them to progress to continued education including a large proportion at top Russell Group or top-performing universities.

The sixth form has also sustained the increase of students entering Year 12 from 3 years ago showing a solid curriculum platform which meets students needs and reaffirms the schools move to a more academic platform.

Destinations data from 2016 (last data available) showed 94% of students progressing at KS4 to education matching the national figure. At the end of KS5 90% of our students progressed to sustained education, training or employment against a national figure of 89%. The school has invested heavily over the past years around our the suitability of the school's curriculum, subsequent adjustments made for individuals and the CEIG and would expect this to rise over coming years.

#### Going Concern

At year end the Academy Trust had a combined deficit on restricted general and unrestricted funds of £74,000 with net current liabilities of £28,000. Included in the deficit of £74,000 is £92,736 for the LED lighting purchased under a Salix loan. The cost of this lighting was treated as a repair in the accounts. The Academy Trust underwent a restructuring process a few years ago and has been managing budgets and specifically costs. The deficit across the restricted general and unrestricted funds for the year was £11,000, which was lower than budgeted. The Academy Trust aims to return to a surplus in the 2019/20 financial year.

The governors have prepared cashflow forecasts that cover a period in excess of 12 months from the date of signing of the accounts. Based on these forecasts the governing body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### Financial Review

During the year 31 August 2019, the school generated a deficit of £47,000 (2018 - £140,000) in the restricted general fund after transfers and excluding the pension reserve, which relates mainly to the recurrent general grant from the Education and Skills Funding Agency. The unrestricted balance at 31 August 2019 was £603,000 (2018 - £567,000).

# Highcliffe School

## Governors' Report for the Year Ended 31 August 2019 (continued)

### Strategic Report

#### *Reserves Policy*

The total of reserves held in both restricted and unrestricted revenue funds, excluding the pension fund reserve, amounts to a £74,000 deficit (2018 - £63,000). This includes amounts of funding received by the school prior to conversion to academy status. The Governors intend that Reserves should be retained at an appropriate but not excessive level to balance the continual investment in year with planning for future developments. Longer term initiatives include the review of arrangements to provide places for increased student numbers transferring from local feeder schools and planned new housing developments in the locality.

#### *Principal Risks and Uncertainties*

Over 90% of the School's revenue funding is provided by the Education Funding Agency in the form of recurrent grants, the use of which is restricted to specific purposes.

The School's approach to strategic planning takes account of potential changes to funding levels being brought about by the application of revised local and national formulae for the allocation of funds between institutions. This aims to ensure that planned levels of expenditure can be accommodated through anticipated levels of funding and reserves.

In the current economic climate and with the planned council change, it is difficult to forecast accurately the impact that restrictions on public sector expenditure will have at individual school level.

#### **Fundraising**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Governors.

#### *Plans for Future Periods*

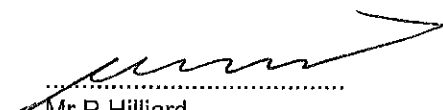
The Governing Body is committed to maintaining and improving the infrastructure of the School whilst maintaining a balanced budget.

#### **Auditor**

Insofar as the Governors are aware:

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

Governors' Report, incorporating a Strategic Report, was approved by order of the Governing Body, as the company directors, on 5/12/19 and signed on the board's behalf by:

  
.....  
Mr P Hilliard  
Governor

# Highcliffe School

## Governance Statement

### Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to Mr P D Earnshaw, \* (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 Highcliffe School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr N Sykes	2	2
Mr M Fretten	1	2
Mrs D Chaffey	4	5
Mr P D Earnshaw	5	5
Mr N C Geary	2	5
Mr J Lofts	4	5
Mr S Midgley	2	2
Mr G D Moore	4	5
Ms S Evans	5	5
Ms K Dobson	3	3
Mr P Hilliard	4	5
Mr S Welch	4	5
Mrs T Heathman	2	2
Mr M Sedgley	5	5
Mr S Jones	4	5
Ms S Hogg	1	2
Mr T Sampson	4	5

# Highcliffe School

## Governance Statement (continued)

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to ensure compliance with relevant statutory and internal regulations; to submit annual revenue and capital budgets to the full governing body for approval; to monitor actual expenditure against these budgets; to annually review the School's internal financial policies and procedures, including the policy for fees and charges and to be responsible for:

- receiving quotations, tenders and contracts for all services;
- risk management and insurance arrangements;
- the maintenance, refurbishment and safety of buildings.

During the year, this committee also absorbed the functions of the Audit Committee which reviews risks to internal financial control at the Academy Trust. This includes responsibility for:

- Establishing arrangements for internal audit;
- Informing the Governance Statement in the statutory published accounts;
- Providing assurance to the external auditors.

Activities of this committee during the academic year 2018/19 included:

- ensuring completion of statutory returns to the Education & Skills Funding Agency
- setting budgets including the new additional 2 year forecast required by the ESFA in accordance with statutory guidelines and monitored activities against the budgets
- approving the new forecast return in line with ESFA deadlines and guidance
- Reviewing arrangements for covering the cost of staff absences
- Approving the charging policy for 2018/19
- Reviewing Financial Controls Documents
- Reviewing findings of the Health and Safety Audit report and considered the updated Health and Safety Policy
- Reviewing employer discretions under the Local Government Pension Scheme
- Overseeing the tender process for the Bus and Insurance contracts

Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P D Earnshaw	5	5
Mr G D Moore	3	5
Mr P Hilliard	4	5
Ms K Dobson	2	3
Mr N C Geary	3	5
Mr T Sampson	2	5
Mrs T Heathman	1	2
Mr J Lofts	3	5
Mr M Sedgley	4	5
Mr S Jones	1	1

# Highcliffe School

## Governance Statement (continued)

### Review of Value for Money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by deploying existing resources in a manner that has improved performance of the school's students in a number of ways:

- The school's KS4 performance remained significantly in excess of national outcomes with a positive outcome to the school's Progress 8 score.
- This year's excellent examination results maintain Highcliffe's position as a leading provider of Sixth Form education in the Christchurch, New Forest and Bournemouth areas and confirm Ofsted's judgement that "the Sixth Form is a real strength of the school."

27% of all grades achieved were the highest A\*/A or Distinction\*/Distinction.

59% of all grades achieved were the top A\* to B or equivalent.

82% of all grades were A\*/A/B/C or equivalent.

Of our applied courses, 57% of the grades achieved were the top Distinction\*/Distinction.

Over the coming year, the school intends to review the value for money obtained from services provided or centrally tendered by both the new Bournemouth, Christchurch and Poole Council as well as Dorset Council, and to consider the potential benefit of engaging alternative suppliers.

### 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 priorities the risks to the achievement of the School's 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 Highcliffe School for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### The Risk and Control Framework

The Academy Trust'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:

# Highcliffe School

## Governance Statement (continued)

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the finance and facilities committee on behalf of the Governing Body;
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks
- Reviewing reports from the internal auditor. This service is provided by Moore South (previously Moore Stephens)

During the year, the internal auditors carried out checks on the following areas:

- Management Accounts Preparation
- Budget setting and approvals process
- Bank reconciliations
- Payroll checking and authorisation
- Opening balances
- Top 10 musts and Governance Structures
- Scheme of Delegation
- Census
- Purchase cycle
- Charge cards
- Related Parties and Register of Interests

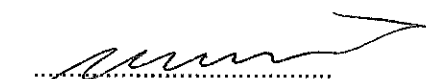
### Review of Effectiveness

As accounting officer, Mr P D Earnshaw, \* (Headteacher) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 5/12/19 and signed on its behalf by:

  
.....  
Mr P Hilliard  
Governor

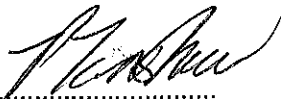
# Highcliffe School

## Statement of Regularity, Propriety and Compliance

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

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

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



.....  
Mr P D Earnshaw, \* (Headteacher)  
Accounting officer

Date: 5/12/19 .....



# Highcliffe School

## Statement of Governors' Responsibilities

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

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

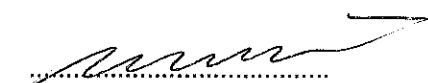
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Governing Body on 5/12/19 and signed on its behalf by:

  
.....  
Mr P Hilliard  
Governor

# Highcliffe School

## Independent Auditor's Report on the Financial Statements to the Members of Highcliffe School

### Opinion

We have audited the financial statements of Highcliffe School (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its 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, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information (covers the Reference and Administrative Details, the Governors' Report and Strategic Report and the Governance Statement)

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## Highcliffe School

### Independent Auditor's Report on the Financial Statements to the Members of Highcliffe School (continued)

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Governors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Governors' Report.

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

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

#### **Responsibilities of Governors**

As explained more fully in the Statement of Governors' Responsibilities [set out on page 15], the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

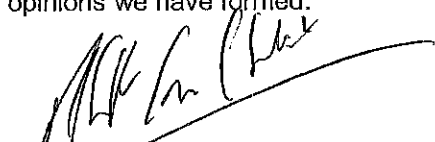
## Highcliffe School

### Independent Auditor's Report on the Financial Statements to the Members of Highcliffe School (continued)

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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



.....  
Paul Giessler (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Hitchcock House  
Hilltop Park  
Devizes Road  
Salisbury  
Wiltshire  
SP3 4UF

Date: 11 December 2019

## **Highcliffe School**

### **Independent Reporting Accountant's Assurance Report on Regularity to Highcliffe School and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 11 December 2011 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Highcliffe School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of Highcliffe School's Accounting Officer and the reporting Accountant**

The Accounting Officer is responsible, under the requirements of Highcliffe School's funding agreement with the Secretary of State for Education dated 30 March 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

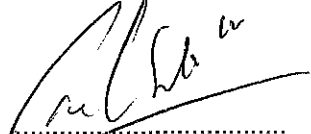
- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

## Highcliffe School

### Independent Reporting Accountant's Assurance Report on Regularity to Highcliffe School and the Education & Skills Funding Agency (continued)

#### Conclusion

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



.....  
Paul Giessler

For and on behalf of Francis Clark LLP, Chartered Accountants

Hitchcock House  
Hilltop Park  
Devizes Road  
Salisbury  
Wiltshire  
SP3 4UF

Date: 11 December 2019

# Highcliffe School

## Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2019 Total £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	2	18	-	103	121
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	365	6,864	-	7,229
Other trading activities	4	152	-	-	152
Investments	5	1	-	-	1
<b>Total</b>		<b>536</b>	<b>6,864</b>	<b>103</b>	<b>7,503</b>
<b>Expenditure on:</b>					
Raising funds	6	136	3	-	139
<i>Charitable activities:</i>					
Academy trust educational operations	7	364	7,355	318	8,037
<b>Total</b>		<b>500</b>	<b>7,358</b>	<b>318</b>	<b>8,176</b>
Net income/(expenditure)		36	(494)	(215)	(673)
Transfers between funds		-	103	(103)	-
<b>Other recognised gains and losses</b>					
Actuarial gain/(loss) on defined benefit pension schemes	22	-	(516)	-	(516)
Net movement in funds/(deficit)		36	(907)	(318)	(1,189)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2018		567	(3,437)	16,248	13,378
Total funds/(deficit) carried forward at 31 August 2019		<b>603</b>	<b>(4,344)</b>	<b>15,930</b>	<b>12,189</b>

## Highcliffe School

### Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	2	22	-	48	70
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	308	6,708	-	7,016
Other trading activities	4	141	-	-	141
Investments	5	1	-	-	1
<b>Total</b>		<b>472</b>	<b>6,708</b>	<b>48</b>	<b>7,228</b>
<b>Expenditure on:</b>					
Raising funds	6	129	6	-	135
<i>Charitable activities:</i>					
Academy trust educational operations	7	308	7,205	332	7,845
<b>Total</b>		<b>437</b>	<b>7,211</b>	<b>332</b>	<b>7,980</b>
Net income/(expenditure)		35	(503)	(284)	(752)
Transfers between funds		-	35	(35)	-
<b>Other recognised gains and losses</b>					
Actuarial gain/(loss) on defined benefit pension schemes	22	-	589	-	589
Net movement in funds/(deficit)		35	121	(319)	(163)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2017		532	(3,558)	16,567	13,541
Total funds/(deficit) carried forward at 31 August 2018		<b>567</b>	<b>(3,437)</b>	<b>16,248</b>	<b>13,378</b>

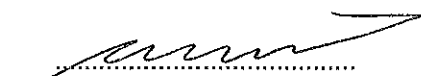


# Highcliffe School

## (Registration number: 07631213) Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
<b>Fixed assets</b>			
Tangible assets	11	15,930	16,248
<b>Current assets</b>			
Debtors	12	173	177
Cash at bank and in hand		<u>352</u>	<u>384</u>
		525	561
Creditors: Amounts falling due within one year	13	<u>(553)</u>	<u>(559)</u>
Net current (liabilities)/assets		<u>(28)</u>	<u>2</u>
Total assets less current liabilities		15,902	16,250
Creditors: Amounts falling due after more than one year	14	<u>(46)</u>	<u>(65)</u>
Net assets excluding pension liability		15,856	16,185
Defined benefit pension scheme liability	22	<u>(3,667)</u>	<u>(2,807)</u>
Total assets		<u><u>12,189</u></u>	<u><u>13,378</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		(677)	(630)
Restricted fixed asset fund		15,930	16,248
Restricted pension fund		<u>(3,667)</u>	<u>(2,807)</u>
		11,586	12,811
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>603</u>	<u>567</u>
Total funds		<u><u>12,189</u></u>	<u><u>13,378</u></u>

The financial statements on pages 21 to 47 were approved by the Governors, and authorised for issue on ..... and signed on their behalf by:

  
.....  
Mr P Hilliard  
Governor

## Highcliffe School

### Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	(136)	(231)
Cash flows from investing activities	19	<u>104</u>	<u>18</u>
Change in cash and cash equivalents in the year		(32)	(213)
Cash and cash equivalents at 1 September		<u>384</u>	<u>597</u>
Cash and cash equivalents at 31 August	20	<u><u>352</u></u>	<u><u>384</u></u>

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 1 Accounting policies

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

#### **Basis of preparation**

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

Highcliffe School meets the definition of a public benefit entity under FRS 102.

#### **Going concern**

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

The governing body has taken steps through restructuring the school's staffing in previous years to ensure that there is a reasonable expectation of the academy trust returning to an annual surplus and having adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

#### **Income**

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

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 1 Accounting policies (continued)

#### **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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 spent on capital projects in line with the terms and conditions of the grant. 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 Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

#### **Donations**

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

#### **Other income**

Other income, including the hire of facilities and fees to other schools and organisations for services rendered, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

#### **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.

All resources expended are inclusive of irrecoverable VAT.

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 1 Accounting policies (continued)

#### ***Expenditure on raising funds***

This includes all expenditure incurred by the academy trust 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 academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

#### **Tangible fixed assets**

Assets costing £2,000 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	50 years straight line
Freehold improvements	3 - 20 years straight line
Furniture & fittings	3 - 5 years straight line
Computer equipment	3 - 5 years straight line
Motor vehicles	5 years straight line

#### **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 academy trust 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.

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 1 Accounting policies (continued)

#### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **Leased assets**

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

#### **Financial Instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity'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 13. 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 charity's wholly owned subsidiary are held at face value less any impairment.

#### **Concessionary loans**

Concessionary loans are accounted for at the cash value of the amount received less subsequent repayments, and are not discounted.

#### **Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 1 Accounting policies (continued)

#### Pension benefits

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

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

#### Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

#### Critical accounting estimates and areas of judgement

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

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 1 Accounting policies (continued)

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### *Critical areas of judgement*

A critical area of judgement is the recognition of trip income and costs as either restricted or unrestricted funds.

The school has a long-standing policy that any surplus on an individual trip in excess of a reasonable administration fee per pupil is returned to the parent. The school does not retain any surplus in respect of any this income. It is raised from parents for an explicit purpose, and where a trip is cancelled subsequent to contributions being collected then all of the contributions received are returned to the parents concerned. Therefore, this clearly is not money that is available for the general purposes of the charity and so is classified as restricted.

### 2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	2019 Total £ 000	2018 Total £ 000
Capital grants	-	103	103	46
Other donations	18	-	18	22
Donated fixed assets	-	-	-	2
	<u>18</u>	<u>103</u>	<u>121</u>	<u>70</u>



# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	2019 Total £ 000	2018 Total £ 000
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	-	6,276	6,276	6,236
Other ESFA grants	-	268	268	209
	<u>-</u>	<u>6,544</u>	<u>6,544</u>	<u>6,445</u>
<b>Other government grants</b>				
Local Authority grants	-	34	34	33
<b>Non-government grants and other income</b>				
Catering Income	365	-	365	308
Trip Income	-	286	286	230
	<u>365</u>	<u>286</u>	<u>651</u>	<u>538</u>
Total grants	<u>365</u>	<u>6,864</u>	<u>7,229</u>	<u>7,016</u>

### 4 Other trading activities

	Unrestricted funds £ 000	2019 Total £ 000	2018 Total £ 000
Minibus income	83	83	86
Music income	12	12	14
Sales of educational services	24	24	11
Hire of facilities	3	3	2
Insurance claims	-	-	3
Sale of educational supplies	12	12	14
Other generating funds income	18	18	11
	<u>152</u>	<u>152</u>	<u>141</u>

### 5 Investment income

	Unrestricted funds £ 000	2019 Total £ 000	2018 Total £ 000
Short term deposits	<u>1</u>	<u>1</u>	<u>1</u>

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 6 Expenditure

	Non Pay Expenditure			2019 Total £ 000	2018 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
<b>Expenditure on raising funds</b>					
Direct costs	68	-	71	139	135
<b>Academy's educational operations</b>					
Direct costs	4,919	318	603	5,840	5,831
Allocated support costs	1,061	430	706	2,197	2,014
	<u>6,048</u>	<u>748</u>	<u>1,380</u>	<u>8,176</u>	<u>7,980</u>

### Net income/(expenditure) for the year includes:

	2019 £ 000	2018 £ 000
Operating leases - other leases	41	28
Fees payable to auditor - audit	9	9
- other audit services	2	2
	<u>52</u>	<u>39</u>

### 7 Charitable activities

	2019 Total £ 000	2018 Total £ 000
Direct costs - educational operations	5,840	5,831
Support costs - educational operations	2,197	2,014
	<u>8,037</u>	<u>7,845</u>

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 7 Charitable activities (continued)

	Educational operations £ 000	2019 Total £ 000	2018 Total £ 000
<b>Analysis of support costs</b>			
Support staff costs	1,061	1,061	994
Technology costs	85	85	77
Premises costs	430	430	371
Other support costs	605	605	554
Governance costs	16	16	18
Total support costs	<u>2,197</u>	<u>2,197</u>	<u>2,014</u>

### 8 Staff

#### Staff costs

	2019 £ 000	2018 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	4,536	4,514
Social security costs	399	401
Pension costs	1,080	1,055
	<u>6,015</u>	<u>5,970</u>
Supply teacher costs	33	62
Staff restructuring costs	-	19
	<u>6,048</u>	<u>6,051</u>

#### Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2019 No	2018 No
<b>Charitable Activities</b>		
Teachers	95	98
Administration and support	77	79
Management	8	7
	<u>180</u>	<u>184</u>

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 8 Staff (continued)

#### Higher paid staff

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

	2019 No	2018 No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£100,001 - £110,000	<u>1</u>	<u>1</u>

The key management personnel of the Academy Trust comprise the Governors, Headteacher and Deputy Headteacher as listed on page 1 & 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £497,748 (2018: £473,780).

### 9 Related party transactions - Trustees' remuneration and expenses

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

Mr P D Earnshaw (Headteacher):

Remuneration: £105,000 - £110,000 (2018 - £105,000 - £110,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £15,000 - £20,000)

Mr M Sedgley (Staff governor):

Remuneration: £40,000 - £45,000 (2018 - )

Employer's pension contributions: £5,000 - £10,000 (2018 - )

Mr S Jones (Staff governor):

Remuneration: £35,000 - £40,000 (2018 - )

Employer's pension contributions: £5,000 - £10,000 (2018 - )

Ms K Dobson (Staff governor):

Remuneration: £15,000 - £20,000 (2018 - )

Employer's pension contributions: £0 - £5,000 (2018 - )

Mrs T Heathman (Staff governor):

Remuneration: £5,000 - £10,000 (2018 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2018 - £0 - £5,000)

Other related party transactions involving the Governors are set out in note 23.

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was £969 (2018 - £969).

The cost of this insurance is included in the total insurance cost.

### 11 Tangible fixed assets

	Freehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Motor vehicles £ 000	Total £ 000
<b>Cost</b>					
At 1 September 2018	18,482	49	138	88	18,757
At 31 August 2019	18,482	49	138	88	18,757
<b>Depreciation</b>					
At 1 September 2018	2,256	43	122	88	2,509
Charge for the year	301	4	13	-	318
At 31 August 2019	2,557	47	135	88	2,827
<b>Net book value</b>					
At 31 August 2019	15,925	2	3	-	15,930
At 31 August 2018	16,226	6	16	-	16,248

### 12 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	11	5
Prepayments	112	130
VAT recoverable	50	42
	<u>173</u>	<u>177</u>

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 13 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	84	94
Other taxation and social security	109	108
Other creditors	19	19
Pension scheme creditor	91	91
Accruals and deferred income	250	247
	<u>553</u>	<u>559</u>

	2019 £ 000
<b>Deferred income</b>	
Deferred income at 1 September 2018	234
Resources deferred in the period	215
Amounts released from previous periods	<u>(234)</u>
Deferred income at 31 August 2019	<u>215</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips which will take place in the new financial year.

Included in other creditors is a loan of £19,000 from Salix which is provided on the following terms: Interest free with repayments every six months and a final repayment date of September 2022.

### 14 Creditors: amounts falling due after one year

	2019 £ 000	2018 £ 000
Other creditors	<u>46</u>	<u>65</u>

Included in other creditors is a loan of £46,000 from Salix which is provided on the following terms: Interest free with repayments every six months and a final repayment date of September 2022.

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 15 Funds

	Balance at 1 September 2018 £ 000	Income £ 000	Expenditure £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(674)	6,276	(6,430)	103	(725)
Pupil Premium	32	174	(175)	-	31
Other DfE grants	12	94	(89)	-	17
LEA and other grants	-	34	(34)	-	-
Trips	-	286	(286)	-	-
	<u>(630)</u>	<u>6,864</u>	<u>(7,014)</u>	<u>103</u>	<u>(677)</u>
<b>Restricted fixed asset funds</b>					
Donation from Local Authority	16,121	-	(280)	-	15,841
DfE capital funding	54	103	(16)	(103)	38
Other donations	35	-	(11)	-	24
Capital expenditure from GAG	38	-	(11)	-	27
	<u>16,248</u>	<u>103</u>	<u>(318)</u>	<u>(103)</u>	<u>15,930</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(2,807)</u>	<u>-</u>	<u>(344)</u>	<u>(516)</u>	<u>(3,667)</u>
Total restricted funds	12,811	6,967	(7,676)	(516)	11,586
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>567</u>	<u>536</u>	<u>(500)</u>	<u>-</u>	<u>603</u>
Total funds	<u><u>13,378</u></u>	<u><u>7,503</u></u>	<u><u>(8,176)</u></u>	<u><u>(516)</u></u>	<u><u>12,189</u></u>

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 15 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Income £ 000	Expenditure £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(529)	6,236	(6,416)	35	(674)
Pupil Premium	32	181	(181)	-	32
Other DfE grants	7	28	(23)	-	12
LEA and other grants	-	33	(33)	-	-
Trips	-	230	(230)	-	-
	<u>(490)</u>	<u>6,708</u>	<u>(6,883)</u>	<u>35</u>	<u>(630)</u>
<b>Restricted fixed asset funds</b>					
Donation from Local Authority	16,401	-	(280)	-	16,121
DfE capital funding	63	46	(20)	(35)	54
Other donations	48	2	(15)	-	35
Capital expenditure from GAG	55	-	(17)	-	38
	<u>16,567</u>	<u>48</u>	<u>(332)</u>	<u>(35)</u>	<u>16,248</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(3,068)</u>	<u>-</u>	<u>(328)</u>	<u>589</u>	<u>(2,807)</u>
Total restricted funds	13,009	6,756	(7,543)	589	12,811
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>532</u>	<u>472</u>	<u>(437)</u>	<u>-</u>	<u>567</u>
Total funds	<u>13,541</u>	<u>7,228</u>	<u>(7,980)</u>	<u>589</u>	<u>13,378</u>



## Highcliffe School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 15 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

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

General Annual Grant (GAG) - The Academy's principal funding stream received from the Education and Skills Funding Agency (ESFA).

A transfer has been made from the fixed asset fund to GAG to cover revenue expenditure that does not meet the capitalisation criteria.

A transfer of the pension costs has been made from GAG to the pension fund.

Pupil premium - DfE funding to address inequalities between children eligible for free school meals and their wealthier peers by ensuring that funding reaches the pupils who need it most.

Other DfE grants - Other specific grants from the DfE including grants for bursary funding, assistance with the cost of reporting requirements and PE teacher grants.

LEA and other grants - Other grants from the Local Education Authority including for teacher training and skills support.

Pension reserve - The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the Academies Accounts Direction.

Trips - Contributions from students towards trips and events run by the school. Where a surplus above a set limit is generated on a specific trip, this is returned to the students.

Restricted fixed asset funds - Funding for capital items and projects. This also includes an element of capital spend funded from GAG.

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	<b>Unrestricted funds £ 000</b>	<b>Restricted general funds £ 000</b>	<b>Restricted fixed asset funds £ 000</b>	<b>Total funds £ 000</b>
Tangible fixed assets	-	-	15,930	15,930
Current assets	603	(78)	-	525
Current liabilities	-	(553)	-	(553)
Creditors over 1 year	-	(46)	-	(46)
Pension scheme liability	-	(3,667)	-	(3,667)
<b>Total net assets</b>	<b>603</b>	<b>(4,344)</b>	<b>15,930</b>	<b>12,189</b>

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

	<b>Unrestricted funds £ 000</b>	<b>Restricted general funds £ 000</b>	<b>Restricted fixed asset funds £ 000</b>	<b>Total funds £ 000</b>
Tangible fixed assets	-	-	16,248	16,248
Current assets	567	(6)	-	561
Current liabilities	-	(559)	-	(559)
Creditors over 1 year	-	(65)	-	(65)
Pension scheme liability	-	(2,807)	-	(2,807)
<b>Total net assets</b>	<b>567</b>	<b>(3,437)</b>	<b>16,248</b>	<b>13,378</b>

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 17 Financial commitments

#### *Operating leases*

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

	2019 £ 000	2018 £ 000
Amounts due within one year	49	41
Amounts due between one and five years	79	75
	<u>128</u>	<u>116</u>

### 18 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019 £ 000	2018 £ 000
Net expenditure	(673)	(752)
Depreciation	318	332
Capital grants from DfE and other capital income	(103)	(30)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	272	250
Defined benefit pension scheme finance cost	72	78
Decrease in debtors	4	7
Decrease in creditors	<u>(25)</u>	<u>(115)</u>
Net cash used in Operating Activities	<u>(136)</u>	<u>(231)</u>

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 19 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	-	(13)
Capital grants from DfE Group	103	30
Net cash provided by investing activities	104	18

### 20 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	352	384
Total cash and cash equivalents	352	384

### 21 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.

### 22 Pension and similar obligations

The academy trust'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 Dorset County. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £(91,097) (2018 - £(90,535)) were payable to the schemes at 31 August and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 22 Pension and similar obligations (continued)

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

#### 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £549,982 (2018: £549,361).

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

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

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £246,000 (2018 - £236,000), of which employer's contributions totalled £186,000 (2018 - £178,000) and employees' contributions totalled £60,000 (2018 - £58,000). The agreed contribution rates for future years are 18.8 per cent for employers and 5.5 per cent for employees.

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

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 22 Pension and similar obligations (continued)

On 27 June 2019 the Supreme Court upheld the Court of Appeal's ruling that government reform's made in 2015 to the pensions of judges and firefighters were unlawful on the grounds of age discrimination. This case has become known as the 'McCloud judgement' and the ruling will have wider implications for all public service schemes affected by the reforms. Accordingly, the valuation provided by the actuary at 31 August 2019 includes the expected impact of compensation payments arising from this judgement.

#### Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.70
Inflation assumptions (CPI)	2.20	2.30
RPI increases	3.20	3.30
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	2019	2018
<b>Retiring today</b>		
Males retiring today	22.90	24.00
Females retiring today	24.80	26.10
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.60	26.30
Females retiring in 20 years	<u>26.60</u>	<u>28.50</u>

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 22 Pension and similar obligations (continued)

#### Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	6,422	5,163
Discount rate -0.1%	6,722	5,402
Mortality assumption – 1 year increase	6,814	5,468
Mortality assumption – 1 year decrease	6,335	5,101
CPI rate +0.1%	6,702	5,388
CPI rate -0.1%	6,441	5,177
Salary rate +0.1%	6,589	5,296
Salary rate -0.1%	<u>6,551</u>	<u>5,266</u>

The academy trust's share of the assets in the scheme were:

	2019 £ 000	2018 £ 000
Equities	1,482	1,351
Gilts	380	310
Other bonds	207	171
Property	303	251
Cash and other liquid assets	75	23
Other	<u>456</u>	<u>368</u>
Total market value of assets	<u>2,903</u>	<u>2,474</u>

The actual return on scheme assets was £221,000 (2018 - £53,000).

# Highcliffe School

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 22 Pension and similar obligations (continued)

#### Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	456	426
Interest income	(68)	(61)
Interest cost	140	139
Admin expenses	2	2
Total amount recognised in the SOFA	<u>530</u>	<u>506</u>

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

	2019 £ 000	2018 £ 000
At start of period	5,281	5,341
Current service cost	386	426
Interest cost	140	139
Employee contributions	60	58
Actuarial (gain)/loss	669	(597)
Benefits paid	(36)	(86)
Past service cost	70	-
At 31 August	<u>6,570</u>	<u>5,281</u>



## Highcliffe School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 22 Pension and similar obligations (continued)

##### Movements in the fair value of Academy Trust's share of scheme assets

	2019 £ 000	2018 £ 000
At start of period	2,474	2,273
Interest income	66	59
Actuarial gain/(loss)	153	(8)
Employer contributions	186	178
Employee contributions	60	58
Benefits paid	<u>(36)</u>	<u>(86)</u>
At 31 August	<u>2,903</u>	<u>2,474</u>

#### 23 Related party transactions

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.

