

This draft produced on 10/12/2018

HIGHAMS PARK ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

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HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	Mr A Benton Mr S Carter Mr P Cates (Deceased 25 June 2018) Mr R Hutchinson Mr P Philip Mr S Riches
Trustees	Mr A Benton Mr P Cates (Deceased 25 June 2018) Mrs C Crossley Mrs C Edwards Mr R Hutchinson (Resigned 18 December 2017) Mr J Kemp Mr R Palmer Mrs T Penfold, Chair (Appointed 18 December 2017) Mr P Rogers, Chairman (Term of office ended 18 December 2017) Mr A Sikora Mr P Grundy, Principal and Accounting Officer Mr N Whitehead Mrs G Hogan (Appointed 16 July 2018) Mrs S Boyack (Appointed 16 July 2018)
Company registered number	07738801
Company name	Highams Park Academy Trust
Principal and registered office	Highams Park School 34 Handsworth Avenue Highams Park London E4 9PJ
Company Secretary	Dr Tim Morris
Chief Executive Officer	Mr P Grundy
	The Chief Executive Officer of the Trust is also the Principal of the School and is referred to throughout this Report as the Principal or the Accounting Officer.
Senior Leadership and Management Team	Mr P Grundy, Principal Mr N Hyde, Deputy Principal Mr T Capewell, Deputy Principal Mr N Armsby, Vice Principal Mr J Davisson, Vice Principal Ms C Halkes, Vice Principal Mr B Hughes, Vice Principal Dr T Morris, Vice Principal Mrs S Aziz, Chief Finance Officer Mrs V Payne, Assistant Vice Principal Mrs A Richards, Assistant Vice Principal

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent Auditors Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers Royal Bank of Scotland
747 Attercliffe Road
Sheffield
S9 3RF

Solicitors Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

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HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the Highams Park Academy Trust (the Charitable Company, the Academy or the Trust) for the year 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under Company Law.

Constitution

The Academy Trust is a Company limited by guarantee and an exempt charity incorporated by a Memorandum of Association on 12 August 2011. That Memorandum and the Trust's Articles of Association are its primary governing documents. The object of the Trust is to operate the Academy known as Highams Park School ("the School") under a Funding Agreement with the Secretary of State for Education.

The School is an independent state funded school for students aged 11-18. It admits annually 240 students aged 11. It has a sixth form of some 340 students, the majority having been students at the School from the age of 11.

For the year 2017/18 the total numbers of students was 1,532. Of these, 11 were registered jointly at the School and at one of two neighbouring Special Schools.

Structure, Governance and Management

The Trust is a Company limited by guarantee and an exempt charity. Its Memorandum and Articles of Association are the primary governing documents. The Trustees are also the Directors of the Charitable Company for the purposes of Company Law.

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

The Trust's insurance includes provision for Trustees' third party indemnity.

Method of Recruitment and Appointment or Election of Trustees

The Trustees are also the Directors of the Trust as a Limited Company and are the Trustees of the Academy. They are appointed as follows:

- Up to seven Foundation Trustees appointed by the Members
- Two Trustees elected by the parents of pupils registered at the School
- Two Trustees elected by the staff of the School
- The Principal ex officio
- Up to three Trustees co-opted by the Trust

Each Foundation and co-opted Trustee is appointed for a term of four years and may be reappointed. Each Trustee elected by the parents or the staff is elected for a period of four years and, if eligible, may be re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are provided with a range of bespoke training after establishing, via a skills and knowledge audit, their individual needs and requirements.

All Trustees are provided with the latest DFE Governance Handbook and guidance documents from the Charity Commission on their roles and responsibilities as well as the Academies Financial Handbook.

All Trustees participate in a continuing development training and development programme and have access to a secure online library of guidance, information and advice provided by the DFE, the Education and Skills Funding Agency and the Charity Commission. The library also contains other important reference documents for their ease of use.

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

In July 2018 the trustees received training from Mr Paul Bagley from NPW Ltd on Effective Governance and Trustee Roles and Responsibilities. They also received training on the procedures around permanent exclusions from fellow Trustees who participated in Pupil disciplinary meetings.

Organisational structure**Responsibilities – the Trustees**

Under the Articles of Association, the business of the Trust is managed by the Trustees who may delegate the exercise of their functions; subject to limitations set out in the Articles, the Trust's Funding Agreement with the Secretary of State for Education and the Regulations of the Education and Skills Funding Agency ("ESFA").

To this end the Trustees have adopted and developed a Scheme of Delegation under which they have established standing and Task Committees of Trustees to whom the Principal reports and through whom the performance of the School is monitored and evaluated.

The Policy and Scheme of Delegation including the updated Committee Remits was reviewed at a Full Trustees Meeting in July 2018 and approved in September 2018.

Responsibilities – the Principal

The Principal, as the Trust's Accounting Officer, has specific responsibilities set out by the ESFA. Other responsibilities for the management and operation of the Trust are exercised by the Principal under the Trust's Scheme of Delegation.

Responsibilities – the executive leadership – the Senior Leadership and Management Team ("SLMT")

Under the direction of the Principal, the SLMT are collectively responsible for the day-to-day running of the School, in particular recommendation regarding the appointing and managing staff; managing the School's finances and resources; designing, organising the delivery of and monitoring the School's curriculum; evaluating pupils' progress and achievements; and supervising student discipline.

Individually, each SLMT member has designated areas of responsibility which may be varied by the Principal from time to time.

Related Parties and other Connected Charities and Organisations

The Trust is connected with the Highams Park Charitable Trust and is not connected with, or related to, any other organisations or parties.

Any transaction where a Trustee has a registered a pecuniary interest is undertaken in accordance with the procedures outlined in the Academies Financial Handbook.

Arrangements for setting the pay and remuneration of key management personnel

No Trustee (other than the Principal and Trustees appointed to the staff of the Academy) was paid or remunerated.

The Trust's policy on and arrangements for teachers' pay and remuneration have due regard to the current School Teachers' Pay and Conditions Document (STPCD) issued by the Department for Education. Under this policy the pay and remuneration of the Principal, the Deputy Principals, four of the posts of Vice Principal, the Assistant Principals and the Trustee appointed by the teaching staff was determined in 2017/18 accordance with the criteria set out in 2017 STPCD.

The pay and remuneration of the Chief Finance Officer is on National Joint Council for Local Government Services (NJC) scales benchmarked by comparison with similar posts in other schools and approved by the Trustees.

Trade union facility time

HIGHAMS PARK ACADEMY TRUST

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OBJECTIVES AND ACTIVITIES

Object and Aims

The Trust's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

HIGHAMS PARK ACADEMY TRUST

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Strategies and Activities

In pursuance of the 'object' and aims, the Trust expects the School's strategies and activities to meet the following Core Values and to:

- remain a fully comprehensive mixed 11-18 local School providing a broad and balanced curriculum;
- ensure high standards of work, behaviour, dress and achievement for all students;
- develop cheerful, hard-working, honest and well behaved, fit and healthy young adults;
- ensure a safe learning environment where all are valued;
- ensure equality of opportunity for all;
- produce people willing and able to play an active and positive role in a rapidly changing world;
- develop students' sense of respect for themselves and others;
- provide opportunities for students to develop their own spiritual and moral capacities;
- promote students' appreciation of other cultures;
- encourage students to accept their responsibilities to themselves, the School, and the local and wider communities;
- to demonstrate accountability, transparency and propriety and compliance with the Trust's funding agreement
- continue to develop as an important part of the local community; and
- develop continually as an organisation committed to learning for students, staff and the local community.

Public benefit

The Trustees confirm that through the School's working towards the object as set out in this report they have complied with the Charity Commission's guidance on public benefit.

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HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****Key Performance Indicators**

Performance Measure	Score	Explanation
Attainment 8 score	4.81	Average GCSE grade for all students in their best 8 subjects, with Maths and best English grade double counted.
Progress 8 overall score	-0.07	The average for all educational institutions is zero. The progress 8 score is the overall difference between students' average GCSE grades (as above) and the average grades achieved nationally by students with the same KS2 scores. This is the main national progress measure.
Progress 8 English Element	-0.16	Difference between students' best English GCSE grade and the average grades achieved nationally by students with the same KS2 scores.
Progress 8 Maths Element	+0.05	Difference between students' Maths GCSE grade and the average grades achieved nationally by students with the same KS2 scores.
Progress 8 EBacc Element	+0.29	Difference between students' best three EBacc GCSE grades (Sciences, Computer Science, Geography, History and Languages) and the average grades achieved nationally by students with the same KS2 scores.
Progress 8 Open Element	-0.44	Difference between students' remaining KS4 grades not counted so far and the average grades achieved nationally by students with the same KS2 scores.
EBacc point score	4.48	Average GCSE grade for all students in each student's set of EBacc subject grades (Eng, Maths, Science, Humanity and Language) – includes a zero grade for each of the five subject areas for those students who didn't take a subject.
English & Maths 'strong' pass (5's)	45%	Percentage of students achieving a grade 5 or better in one of their English GCSEs and their Maths GCSE
English & Maths 'good' pass (4's)	70%	Percentage of students achieving a grade 4 or better in one of their English GCSEs and their Maths GCSE
EBacc strong pass (5)	19%	Percentage of students achieving a grade 5 or better in all EBacc subject categories (see EBacc point score)
EBacc good pass (4)	31%	Percentage of students achieving a grade 4 or better in all EBacc subject categories (see EBacc point score)

6th Form Students' achievement

A-level pass rate 99%

A-level passes between A* and B grades 41.2%

With 369 A-Level entries sat across 25 different subjects there were only 3 fails.

Over 80% of students progressed onto further education.

67.9% of students achieved a distinction grade in BTEC National qualifications. All BTEC students achieved at least a pass grade.

Parents' and pupils' preference for places at the School.

The school remains very popular and heavily oversubscribed. 83% of the students admitted had placed Highams Park School as their first choice in the primary to secondary admissions process this year an increase from previous years.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Key Financial Performance Indicators

The monitoring of the annual budget by the PFAC Committee on a monthly basis ensures significant variances are reported to the Board promptly.

Performance against the budget is a key indicator of the financial risks facing the Trust and consistent reporting of this ensures variances within the budget can be addressed appropriately.

Members of the PFAC review the Trust's medium term financial plan four times a year. A working group across finance, management and Trustees ensure it's adequacy to the risks associated with the Trust.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2018 the Trust received £9.515M of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £9.495M on general running costs leaving a surplus of £20K before depreciation.

The Trust brought forward from 16/17, £336K restricted funds and £961K unrestricted funding. The carry forward on these reserves in 2017/18 is £428K and £993K respectively.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018 was £1.4M. These funds are required to comply with the Trust's funding agreement to set a balanced budget. It is forecast that a balanced budget can be achieved up to the period covered in the Trust's medium term financial plan with contributions from reserves each year.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £1.3M.

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018****Pension Fund Deficit**

Due to the accounting rules for Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,854,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit general results in a cash flow effect in the form of increased employer contributions over a number of years.

Investment Policy

The Trust seek to gain the best financial return within the level of risk considered to be acceptable by the Board and in compliance with the Charities Commission guidance on Investments. Currently there are no planned investments.

Risks and Uncertainties

The Trustees' financial and internal controls continue to conform to guidelines issued by the Education and Skills Funding Agency (ESFA).

The Trust maintains a risk register identifying the major risks to which it is exposed, and has identified actions and procedures to mitigate these risks. This register was monitored by the Trustees' Policy, Finance and Audit Committee. The risks facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trust appoints an external company to provide Internal audit services. They visit once per term and issue a report on the performance of Internal controls and compliance with the funding agreement as per the Academies Financial handbook and other DfE guidance. As a standing item on the PFAC Committee a tracking document which measures progress against the recommendations made is presented. Trustees are able to challenge any items that are not being actioned and gain assurance over the integrity of the internal controls in place.

The Public Finance and Audit Committee holds the function of the Trust's Audit committee.

The Trustees have assessed the principle risks and uncertainties facing the Trust as follows:

- Impact on Schools funding as the result of the National Funding Formula. This is an ongoing risk as the Government continue to signal that public spending will remain very tight.
- Impact of Pay awards that are not fully funded.
- A falling pupil roll. This is highly unlikely in respect of Year 7 admissions. The School continues to be a popular choice amongst parents. However, there have been some fluctuations in year groups 8 to 11 leading the school to forecast slightly less students than 240 across these year groups.
- 6th Form admissions are much more volatile and difficult to predict as there are growing numbers of alternative 6th form providers in the vicinity.
- Other staff recruitment and retention. In some areas vacancies attract a reasonably healthy level of interest and applications, however in other areas, notably Geography, Maths, and Science, recruitment has been more difficult.
- Bank balances & investments. There is no significant risk other than the bank ceasing to trade.
- Debtors. Other than HMRC reclaimed VAT, there are no material debtors.

Provision of Information to Auditors

Each of the persons who are Trustees at the time this Report was approved has confirmed that:

- So far as the Trustees are aware, there is no relevant audit information of which the Trust's Auditors are unaware, and;
- that the Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the Trust's Auditors in connection with preparing their Report and to establish that the Trust's

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Auditors are aware of that information.

PLANS FOR FUTURE PERIODS

The School has a Development Plan, reviewed and updated annually, prepared by the Principal and SLMT and submitted to the Trustees for consideration, approval and monitoring.

In 2016/2017 the Trust considered at a General Meeting the School's place in the educational system in the light of the Government's predilection for the development of Multi Academy Trusts. It was concluded that the Trust must do nothing to compromise the quality of education of the School's pupils, the maximisation of whose attainments must remain paramount but that subject to this, co – operative working should be developed with schools whose core values were compatible with those adopted by the Trust and reiterated in this Report. This strategy is still on going.

This Trustees Report, incorporating the Strategic Report was approved by the Board of Trustees on 17 December 2018 and is signed on its behalf by:

Trustee

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HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****GOVERNANCE STATEMENT****SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Highams Park Academy Trust 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 Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Highams Park Academy Trust 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.

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 3 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
Mr A Benton	1	3
Mr P Cates*	2	3
Mrs C Crossley	3	3
Mrs C Edwards	2	3
Mr R Hutchinson**	0	0
Mr J Kemp	3	3
Mr R Palmer	3	3
Mrs T Penfold	3	3
Mr P Rogers, Chairman	0	0
Mr A Sikora	3	3
Mr P Grundy, Principal and Accounting Officer	3	3
Mr N Whitehead	2	3
Mrs G Hogan	0	0
Mrs S Boyack	0	0

*Deceased 25 June 2018 **Resigned 18 December 2017

During the year, the Trustees co-opted onto the Board of Trustees a person with particular experience in the financial audit of academies. New appointments were made to the Chair of the Board of Trustees and the Chair of the Policy, Finance and Audit, and Curriculum Committee.

The Trustees carried out a self-evaluation of Governance during the spring term. As a result, a more detailed skills audit was carried in the Autumn term. This may result in a further co-option to the Board of Trustees. The Board of Trustees will also address the need for a longer term plan for the School.

Policy, Finance and Audit Committee

The Policy, Finance and Audit Committee (PFAC) is a sub-committee of the main Board of Trustees. Its purpose is to address financial matters.

The Committee meet regularly to monitor budget performance holding the Principal and Chief Finance Officer to account for all aspects of the Trust's governance policies and its financial management.

The Committee report accordingly to the Board of Trustees.

The Committee also review the Principal's budget planning and draft forward budget, making recommendations for its approval to the Board of Trustees.

The Committee recommend the appointment of the Trust's Independent Auditors to the Board of Trustees for onward recommendation and to the members at AGM.

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****GOVERNANCE STATEMENT (continued)**

A new Chair of the Board of Trustees has been appointed during the year. Sadly, Mr Peter Cates died suddenly in June 2018 and his knowledge and commitment to the school will be deeply missed. The principle challenge facing the Committee has been the preparation of a forward balanced budget given the significant real terms reduction of future income from ESFA.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Benton	3	4
Mr P Cates	4	4
Mr P Grundy, Principal	4	4
Mr R Hutchinson	0	0
Mr J Kemp	4	4
Mr R Palmer	4	4
Mrs T Penfold	4	4
Mr P Rogers	0	0
Mr N Whitehead	3	4

REVIEW OF VALUE FOR MONEY

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

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

Over the last financial period, the Trust has taken a wide range of steps to ensure that the education standards and levels of attainment for all pupils have continued to improve. The Trust has focused on targeted improvement linked to the School's Development Plan to ensure maximum impact on outcomes for pupils in these key areas; and on improving the quality of teaching across the School.

Professional development for staff has been tailored to priorities. A programme for the early identification of Key Stage 4 pupils who would benefit from additional support was continued coupled with a management focus on the drive to reduce the attainment gaps of pupils, i.e. "narrowing the gap" for vulnerable pupils.

The Trust keeps a constant review of its staffing structure. The Trust's pay policy for teachers, links performance and lesson observations and enables individual teachers and management to focus on specific areas for development.

Financial procedures are constantly under review and are regularly adapted so that there is greater accountability, adequate segregation of duties and adherence to the regulations laid down in Company Law, Charity Law and best practice reported by the Education and Skills Funding Agency (ESFA).

The executive leadership receives regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste and bank balances are very carefully monitored.

The Trust joined the Risk Protection Arrangement as of 1 September 2017 to manage risks.

During the past year, the Trust has spent significant amounts of money on improving the fabric of its buildings so that an attractive and stimulating environment is provided for all pupils. The Board of Trustees provided strong challenge over such purchases through a task group of Trustees with specific expertise in buildings related matters.

All contracts and services for the Trust were appraised and approved in accordance with the Trust's scheme of delegation to ensure value for money. In some cases the Trust has chosen an option that was not the cheapest but was the most value for money.

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****GOVERNANCE STATEMENT (continued)****THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust 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 Highams Park Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust 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 Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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 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:

- 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 PFAC of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint The Essex County Council Academy Internal Controls Evaluation Service as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- Review of governance and financial management.
- Review of banking.
- Review of payroll & expenses.
- Review of income.
- Review of assets.

On a quarterly basis, the auditor reports to the Board of Trustees through the Policy, Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned. There were no material control issues that arose as a result of the Internal Auditor's work.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 Policy, Finance and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on

and signed on their behalf, by:

Trustee

Mr P Grundy
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Highams Park Academy Trust I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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.

Mr P Grundy
Accounting Officer

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HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who act as Governors of Highams Park School and are also the Directors of the Charitable Company for the purposes of Company Law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the EFA, United Kingdom Accounting Standards (UKGAAP) 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 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UKGAAP Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees 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 Trustees 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 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 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 the Board of Trustees on

and signed on its behalf by:

Trustee

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HIGHAMS PARK ACADEMY TRUST****OPINION**

We have audited the financial statements of Highams Park Academy Trust (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the 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' and the Academies Accounts Direction 2017 to 2018 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 Academy's affairs as at 31 August 2018 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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

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

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

We have nothing to report in this regard.

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HIGHAMS PARK ACADEMY TRUST**

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 Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors 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:

- 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 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 Charitable Company 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 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 Academy or to cease operations, or have no realistic alternative but to do so.

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HIGHAMS PARK ACADEMY TRUST**

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and the Academy's Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants and
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
Date:

DRAFT

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HIGHAMS PARK ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 18 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Highams Park Academy Trust during the year 1 September 2017 to 31 August 2018 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 Highams Park Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Highams Park Academy Trust 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 Highams Park Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HIGHAMS PARK ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Highams Park Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance;
- evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity;
- discussions with and representations from the Accounting Officer and other key management personnel; and
- an extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HIGHAMS
PARK ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

Date:

DRAFT

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	187,504	288,054	475,558	395,319
Charitable activities	3	272,673	8,967,620	-	9,240,293	9,589,526
Other trading activities	4	99,034	14,189	-	113,223	69,225
Investments	5	1,814	-	-	1,814	4,310
TOTAL INCOME		373,521	9,169,313	288,054	9,830,888	10,058,380
EXPENDITURE ON:						
Charitable activities		385,240	8,964,053	373,623	9,722,916	9,837,044
TOTAL EXPENDITURE	6	385,240	8,964,053	373,623	9,722,916	9,837,044
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(11,719)	205,260	(85,569)	107,972	221,336
Transfers between funds	17	-	(224,585)	224,585	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(11,719)	(19,325)	139,016	107,972	221,336
Actuarial gains on defined benefit pension schemes	22	-	490,000	-	490,000	796,000
NET MOVEMENT IN FUNDS		(11,719)	470,675	139,016	597,972	1,017,336
RECONCILIATION OF FUNDS:						
Total funds brought forward		960,586	(1,788,211)	18,354,723	17,527,098	16,509,762
TOTAL FUNDS CARRIED FORWARD		948,867	(1,317,536)	18,493,739	18,125,070	17,527,098

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)
REGISTERED NUMBER: 07738801BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		18,493,739		18,354,723
CURRENT ASSETS					
Stocks	13	2,006		2,006	
Debtors	14	470,471		333,171	
Cash at bank and in hand	20	1,392,579		1,312,011	
			<u>1,865,056</u>	<u>1,647,188</u>	
CREDITORS: amounts falling due within one year					
	15	(357,483)		(350,813)	
			<u>1,507,573</u>	<u>1,296,375</u>	
NET CURRENT ASSETS					
			<u>20,001,312</u>	<u>19,651,098</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: amounts falling due after more than one year					
	16		(22,242)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES					
			<u>19,979,070</u>	<u>19,651,098</u>	
Defined benefit pension scheme liability	22		(1,854,000)		(2,124,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES					
			<u><u>18,125,070</u></u>	<u><u>17,527,098</u></u>	
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	536,464		335,789	
Restricted fixed asset funds	17	18,493,739		18,354,723	
			<u>19,030,203</u>	<u>18,690,512</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,854,000)		(2,124,000)	
			<u>17,176,203</u>	<u>16,566,512</u>	
Total restricted income funds					
Unrestricted income funds	17		948,867		960,586
TOTAL FUNDS					
			<u><u>18,125,070</u></u>	<u><u>17,527,098</u></u>	

The financial statements on pages 21 to 44 were approved by the Trustees, and authorised for issue, on 17th December 2018 and are signed on their behalf, by:

Trustee

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	303,339	(79,979)
Cash flows from investing activities:			
Interest		1,814	4,310
Purchase of tangible fixed assets		(224,585)	(1,606,891)
Net cash used in investing activities		(222,771)	(1,602,581)
Change in cash and cash equivalents in the year		80,568	(1,682,560)
Cash and cash equivalents brought forward		1,312,011	2,994,571
Cash and cash equivalents carried forward		1,392,579	1,312,011

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****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 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Highams Park Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The Academy is a Company limited by guarantee. Members are noted on page 2. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member.

The registered office is Highams Park School, 34 Handsworth Avenue, Highams Park, London, E4 9PJ.

1.3 Fund accounting

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

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

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

1.4 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****1. ACCOUNTING POLICIES (continued)****1.5 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 charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 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 and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £10,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account.

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

Long Term Leasehold Property	-	2% straight line
Furniture and fixtures	-	20% - 25% straight line
Motor vehicles	-	25% reducing balance

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 incorporating Income and Expenditure Account.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****1. ACCOUNTING POLICIES (continued)****1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Taxation

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

1.11 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.

1.12 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.

1.13 Liabilities and provisions

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

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****1. ACCOUNTING POLICIES (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 incorporating Income and Expenditure Account 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.

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.16 Agency arrangements

The Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account. Where the funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA. Details of these arrangements can be found in note 25.

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****1. ACCOUNTING POLICIES (continued)****1.17 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 Trustees make 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 2018. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	187,504	-	187,504	155,351
Capital grants	-	-	288,054	288,054	239,968
	-	187,504	288,054	475,558	395,319
Total 2017	-	155,351	239,968	395,319	

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,521,209	8,521,209	8,670,557
Other DfE / EFA grants	-	356,924	356,924	460,851
	-	8,878,133	8,878,133	9,131,408
Other government grants				
Local authority grants	-	89,487	89,487	171,417
	-	89,487	89,487	171,417
Other funding				
Catering Income	272,673	-	272,673	286,701
	272,673	-	272,673	286,701
	272,673	8,967,620	9,240,293	9,589,526
Total 2017	286,701	9,302,825	9,589,526	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	1,905	-	1,905	-
Other Income	97,129	14,189	111,318	69,225
	99,034	14,189	113,223	69,225
Total 2017	36,009	33,216	69,225	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	1,814	-	1,814	4,310
Total 2017	4,310	-	4,310	

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education:					
Direct costs	6,955,742	-	719,876	7,675,618	7,734,319
Support costs	1,027,458	453,351	566,489	2,047,298	2,102,725
	<u>7,983,200</u>	<u>453,351</u>	<u>1,286,365</u>	<u>9,722,916</u>	<u>9,837,044</u>
Total 2017	<u><u>7,959,352</u></u>	<u><u>484,545</u></u>	<u><u>1,393,147</u></u>	<u><u>9,837,044</u></u>	

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****7. CHARITABLE ACTIVITIES**

	2018 £	2017 £
Direct costs	7,675,618	7,734,319
Support costs	2,047,298	2,102,725
	<u>9,722,916</u>	<u>9,837,044</u>

	2018 £	2017 £
Analysis of support costs		
Support staff costs	1,027,458	1,018,330
Depreciation	85,569	14,435
Technology costs	17,799	14,614
Premises costs	367,782	470,110
Other support costs	502,495	513,586
Governance costs	46,195	71,650
	<u>2,047,298</u>	<u>2,102,725</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned or leased by the Academy	85,569	14,435
Auditors' remuneration - audit	7,985	7,750
Auditors' remuneration - other services	4,845	4,025
Operating lease rentals	15,955	15,866
	<u>114,354</u>	<u>46,071</u>

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****9. STAFF COSTS****a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	6,099,563	6,205,688
Social security costs	630,899	633,958
Operating costs of defined benefit pension schemes	1,018,022	982,979
	<u>7,748,484</u>	<u>7,822,625</u>
Supply teacher costs	234,716	136,727
	<u>7,983,200</u>	<u>7,959,352</u>

b. Staff numbers

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

	2018 No.	As restated 2017 No.
Teachers	98	97
Administrative and support	58	59
Management	10	13
	<u>166</u>	<u>169</u>

Average headcount expressed as a full time equivalent:

	2018 No.	As restated 2017 No.
Teachers	106	106
Administrative and support	92	88
Management	10	13
	<u>208</u>	<u>207</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	2	0
In the band £ 70,001 - £ 80,000	6	1
In the band £ 80,001 - £ 90,000	0	6
In the band £100,001 - £110,000	1	0
In the band £110,001 - £120,000	0	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the Senior Leadership Team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £933,317 (2017: £921,579).

Included in the above are employer pension contributions of £117,988 (2017 - £115,053).

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS (continued)

Included in the above are employer national insurance contributions of £88,652 (2017 - £87,135).

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****10. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
P Grundy (Principal)	Remuneration	100,000-105,000	95,000 - 100,000
	Pension contributions paid	15,000-20,000	15,000 - 20,000
R Palmer	Remuneration	40,000-45,000	40,000 - 45,000
	Pension contributions paid	5,000-10,000	5,000 - 10,000
A Sikora	Remuneration	40,000-45,000	40,000 - 45,000
	Pension contributions paid	5,000-10,000	5,000 - 10,000

During the period ended 31 August 2018, no travel and subsistence expenses were reimbursed or paid directly to any trustee (2017: £1,333 to 1 trustee).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Furniture and fixtures £	Motor vehicles £	Total £
Cost				
At 1 September 2017	18,269,285	277,450	7,500	18,554,235
Additions	-	224,585	-	224,585
At 31 August 2018	18,269,285	502,035	7,500	18,778,820
Depreciation				
At 1 September 2017	48,552	144,267	6,693	199,512
Charge for the year	50,543	34,744	282	85,569
At 31 August 2018	99,095	179,011	6,975	285,081
Net book value				
At 31 August 2018	18,170,190	323,024	525	18,493,739
At 31 August 2017	18,220,733	133,183	807	18,354,723

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. STOCKS

	2018 £	2017 £
Catering and clothing	2,006	2,006

14. DEBTORS

	2018 £	2017 £
Trade debtors	24,745	300
VAT repayable	93,953	59,239
Other debtors	181,424	135,813
Prepayments and accrued income	170,349	137,819
	<u>470,471</u>	<u>333,171</u>

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Salix loans	3,707	-
Trade creditors	102,984	116,009
Other taxation and social security	155,533	160,574
Other creditors	14,337	4,928
Accruals and deferred income	80,922	69,302
	<u>357,483</u>	<u>350,813</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	5,634	82,463
Resources deferred during the year	5,715	5,634
Amounts released from previous years	(5,634)	(82,463)
	<u>5,715</u>	<u>5,634</u>
Deferred income at 31 August 2018	5,715	5,634

All amounts of deferred income in the year relate to income received in relation to instrumental tuition.

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £	2017 £
Salix loans	22,242	-

Included within the above are amounts falling due as follows:

	2018 £	2017 £
Between two and five years		
Salix loan	14,828	-
Over five years		
Salix loan	7,414	-

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by equal instalments	7,414	-

The Salix loan is an interest free loan of £29,656 which is repayable in equal six monthly installments over 8 years. The academy has made two repayments in the year totalling £3,707 leaving a total creditor of £25,949.

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS

	Balance at 1 September 2017	Income	Resources expended	Transfers in/out	Gains/ (losses)	Balance at 31 August 2018
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted funds	960,586	373,521	(385,240)	-	-	948,867
Restricted funds						
	Balance at 1 September 2017	Income	Resources expended	Transfers in/out	Gains/ (losses)	Balance at 31 August 2018
	£	£	£	£	£	£
General Annual Grant (GAG)	203,557	8,521,209	(7,963,717)	(224,585)	-	536,464
Pupil premium	132,232	356,924	(489,156)	-	-	-
SEN	-	89,487	(89,487)	-	-	-
Educational visits	-	187,504	(187,504)	-	-	-
Other restricted reserves	-	14,189	(14,189)	-	-	-
Pension reserve	(2,124,000)	-	(220,000)	-	490,000	(1,854,000)
	<u>(1,788,211)</u>	<u>9,169,313</u>	<u>(8,964,053)</u>	<u>(224,585)</u>	<u>490,000</u>	<u>(1,317,536)</u>
Restricted fixed asset funds						
Fixed asset fund	18,354,723	-	(85,569)	224,585	-	18,493,739
Devolving Formula Capital	-	32,305	(32,305)	-	-	-
ACMF	-	255,749	(255,749)	-	-	-
	<u>18,354,723</u>	<u>288,054</u>	<u>(373,623)</u>	<u>224,585</u>	<u>-</u>	<u>18,493,739</u>
Total restricted funds	<u>16,566,512</u>	<u>9,457,367</u>	<u>(9,337,676)</u>	<u>-</u>	<u>490,000</u>	<u>17,176,203</u>
Total of funds	<u>17,527,098</u>	<u>9,830,888</u>	<u>(9,722,916)</u>	<u>-</u>	<u>490,000</u>	<u>18,125,070</u>

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General funds						
Unrestricted funds	633,566	327,020	-	-	-	960,586
Restricted funds						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	917,897	8,719,067	(8,815,620)	(617,787)	-	203,557
Pupil premium	-	444,792	(312,560)	-	-	132,232
SEN	-	98,440	(98,440)	-	-	-
Educational visits	-	155,351	(155,351)	-	-	-
Other restricted reserves	169,896	73,742	(243,638)	-	-	-
Pension reserve	(2,723,000)	-	(197,000)	-	796,000	(2,124,000)
	<u>(1,635,207)</u>	<u>9,491,392</u>	<u>(9,822,609)</u>	<u>(617,787)</u>	<u>796,000</u>	<u>(1,788,211)</u>
Restricted fixed asset funds						
Fixed assets fund	16,762,267	-	(14,435)	1,606,891	-	18,354,723
Devolved Formula Capital	84,143	33,025	-	(117,168)	-	-
ACMF funding	664,993	206,943	-	(871,936)	-	-
	<u>17,511,403</u>	<u>239,968</u>	<u>(14,435)</u>	<u>617,787</u>	<u>-</u>	<u>18,354,723</u>
Total restricted funds	<u>15,876,196</u>	<u>9,731,360</u>	<u>(9,837,044)</u>	<u>-</u>	<u>796,000</u>	<u>16,566,512</u>
Total of funds	<u>16,509,762</u>	<u>10,058,380</u>	<u>(9,837,044)</u>	<u>-</u>	<u>796,000</u>	<u>17,527,098</u>

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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

Unrestricted funds

This represents income received that does not have restrictions.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Pupil premium

The pupil premium funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals, looked after children and those from families with parents in the Armed Forces.

Special Educational Needs (SEN)

This represents allocated funding for special educational needs pupils.

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the visits.

Other restricted reserves

This represents additional funding received from other sources that is restricted in nature.

Pension Reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS), originally transferred to the Academy on conversion from a state controlled school, and revalued annually since.

Restricted fixed asset funds

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

Devolved Formula Capital (DFC) fund

The Academy is to use the DFC allocation to maintain and improve its buildings and facilities.

Academy capital maintenance fund (ACMF)

This represents funding received from the ESFA and DfE for specific capital projects.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	18,493,739	18,493,739
Current assets	948,867	916,189	-	1,865,056
Creditors due within one year	-	(357,483)	-	(357,483)
Creditors due in more than one year	-	(22,242)	-	(22,242)
Provisions for liabilities and charges	-	(1,854,000)	-	(1,854,000)
	<u>948,867</u>	<u>(1,317,536)</u>	<u>18,493,739</u>	<u>18,125,070</u>

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	18,354,723	18,354,723
Current assets	960,586	686,602	-	1,647,188
Creditors due within one year	-	(350,813)	-	(350,813)
Provisions for liabilities and charges	-	(2,124,000)	-	(2,124,000)
	<u>960,586</u>	<u>(1,788,211)</u>	<u>18,354,723</u>	<u>17,527,098</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	107,972	221,336
Adjustment for:		
Depreciation charges	85,569	14,435
Interest	(1,814)	(4,310)
Decrease in stocks	-	614
(Increase)/decrease in debtors	(137,300)	61,033
Increase/(decrease) in creditors	28,912	(570,087)
Pension adjustments	220,000	197,000
Net cash provided by/(used in) operating activities	<u>303,339</u>	<u>(79,979)</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	1,392,579	1,312,011
Total	<u>1,392,579</u>	<u>1,312,011</u>

21. 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.

22. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Waltham Forest. Both are Multi-Employer Defined Benefit Pension Schemes.

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****22. PENSION COMMITMENTS (continued)**

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

Teachers' Pension Scheme**Introduction**

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

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.

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.

In September 2018 actuarial valuation of the TPS was provided to Parliament. Since 2015, employers have paid 16.48% towards the Teacher Pension Scheme (TPS) while employees have paid an average of 9.6% (contributions vary with pay rates so that higher paid teachers, including principals, pay more). The recent announcements could mean an increase in the employer contributions to more than 23% - a 40% increase in costs.

Because the Government actuary's valuation is provisional, the final rate is not yet confirmed.

The employer's pension costs paid to TPS in the period amounted to £697,854 (2017 - £700,403).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £274,000 (2017 - £270,000), of which employer's contributions totalled £206,000 (2017 - £207,000) and employees' contributions totalled £68,000 (2017 - £63,000). The agreed contribution rates for future years are 23% for employers and **5.5% and 12.5% for employees.**

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

HIGHAMS PARK ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.40 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %

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

	2018	2017
Retiring today		
Males	22.5	22.4
Females	25.5	25.4
Retiring in 20 years		
Males	24.7	24.6
Females	27.9	27.7

Sensitivity analysis	At 31 August	At 31 August
	2018	2017
	£	£
Discount rate +0.1%	(75,000)	(74,000)
Discount rate -0.1%	75,000	74,000
Mortality assumption - 1 year increase	71,000	70,000
Mortality assumption - 1 year decrease	(71,000)	(70,000)
CPI rate +0.1%	77,000	76,000
CPI rate -0.1%	(77,000)	(76,000)

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

	Fair value at	Fair value at
	31 August	31 August
	2018	2017
	£	£
Equities	1,355,000	1,090,000
Other bonds	206,000	208,000
Property	185,000	156,000
Cash and other liquid assets	62,000	104,000
Other	247,000	173,000
Total market value of assets	<u>2,055,000</u>	<u>1,731,000</u>

The actual return on scheme assets was £161,000 (2017 - £270,000).

HIGHAMS PARK ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(367,000)	(337,000)
Interest income	44,000	30,000
Interest cost	(92,000)	(87,000)
Administration costs	(11,000)	(10,000)
	<hr/>	<hr/>
Total	(426,000)	(404,000)
	<hr/>	<hr/>
Actual return on scheme assets	161,000	270,000
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	3,855,000	4,017,000
Current service cost	367,000	337,000
Interest cost	92,000	87,000
Employee contributions	68,000	63,000
Actuarial gains	(373,000)	(556,000)
Benefits paid	(100,000)	(93,000)
	<hr/>	<hr/>
Closing defined benefit obligation	3,909,000	3,855,000
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,731,000	1,294,000
Interest income	44,000	30,000
Actuarial losses	117,000	240,000
Employer contributions	206,000	207,000
Employee contributions	68,000	63,000
Benefits paid	(100,000)	(93,000)
Administration costs	(11,000)	(10,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	2,055,000	1,731,000
	<hr/> <hr/>	<hr/> <hr/>

HIGHAMS PARK ACADEMY TRUST**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****23. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	14,564	6,881
Between 1 and 5 years	13,460	3,886
Total	<u>28,024</u>	<u>10,767</u>

There were no operating lease commitments in respect of land and buildings.

24. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended 31 August 2018 (2017 - £Nil) other than certain trustees' remuneration and expenses already disclosed in note 10.

25. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the Trust received £30,365 (2017: £34,430) and disbursed £30,365 (2017: £34,430) from the fund. An amount of nil is included in other creditors relating to undistributed funds that is repayable to ESFA.