

**Highams Park Academy  
Trust**

**Annual Report and Financial  
Statements**

31 August 2022

Company limited by Guarantee  
Registration No. 07738801 (England and  
Wales)

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## Reference and administrative information

<b>Name</b>	Highams Park Academy Trust
<b>Company registration number</b>	07738801
<b>Members</b>	Mr A Benton Mr M Bunyan Mr S Carter Mr R Hutchinson Mr P Philip Mr S Riches
<b>Trustees</b>	Mr A Benton Mrs S Boyack (resigned 19 April 2022) Mr D Brown Mrs C Crossley Mr P Grundy, Principal and Accounting Officer Mrs G Hogan Mr R Palmer Mrs T Penfold, Chair (Re-appointed 30 September 2021) Mrs C Proffitt (nee Edward) Mr A Sikora
<b>Company secretary</b>	Dr T Morris
<b>Chief Executive Officer</b>	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.
<b>Registered office</b>	Highams Park School Handsworth Avenue London E4 9PJ

## Reference and administrative information

### Senior management team

Principal	Mr P Grundy
Deputy Principal	Mr T Capewell
Deputy Principal	Mr N Hyde
Vice Principal	Mr N Armsby
Vice Principal	Ms C Halkes (retired 18 April 2022)
Vice Principal	Dr T Morris
Chief Financial Officer	Mrs S Aziz (resigned 14 February 2022)
Chief Financial Officer	Mr J Adeshina (appointed February 2022)
Assistant Vice Principal	Mr T Jolly (appointed January 2021)
Chief Operations Officer	Mr R Palmer
Assistant Vice Principal	Mrs A Richards
Assistant Vice Principal	Mrs D Stephens
Designated Safeguarding Lead	Mr J Lampshire

### Auditor

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

### Bankers

Royal Bank of Scotland  
747 Attercliffe Road  
Sheffield  
S9 3RF

### Solicitors

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

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 2021 to 31 August 2022. 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 362 students, the majority having been students at the School from the age of 11. For the year 2021/22 the total number of students was 1540.

### **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 students registered at the School;
- ◆ Two Trustees elected by the staff of the School;
- ◆ The Principal ex officio; and
- ◆ 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 Department for Education ("DfE") Governance Handbook and guidance documents from the Charity Commission on their roles and responsibilities as well as the Academies Trust 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.

Individual Trustees have attended various training courses offered by London Borough of Waltham Forest Governor services.

### **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 approved at a Full Trustees Meeting in September 2021.

#### ***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 students' 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.

### **Organisational structure (continued)**

#### ***Arrangements for setting 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 2021/22 accordance with the criteria set out in 2021 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.

#### ***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 registered a pecuniary interest is undertaken in accordance with the procedures outlined in the Academies Financial Handbook.

The School contributes to the Local Authority Trade Union facility time. The School Union Representatives are also given a reduced timetable (1 hour per week) to enable them to discharge their function at a local school level. They are also released from school to carry out union training and to attend regional union meetings.

### **Objectives and activities**

#### ***Objects 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.

#### ***Objectives, 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;

### **Objectives and activities (continued)**

#### ***Objectives, strategies and activities (continued)***

- ◆ 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;
- ◆ 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.

### **Strategic report**

#### **Achievements and performance**

##### ***Key Financial Performance Indicators***

The review of the monthly management reports with the Chair ensures variances are reported in a timely manner so that an action plan can be identified where actual activity has deviated from what was planned for in the budget.

Several Key Performance Indicators are identified and monitored through the use of DfE tools and a process of benchmarking with similar schools in order to understand how the school can use resources most efficiently.

Members of the Resources Committee review the Trust's three-year Medium-Term Financial Plan throughout the year. A working group across finance, management and Trustees ensure it is continuously updated with any new risks associated with the Trust, such as the transition to the National Funding Formula or fluctuations in student numbers.



**Strategic report** (continued)

**Achievements and performance** (continued)

***Key performance indicators***

***Parents' and students' preference for places at the School***

The school remains popular. This year there were fewer 'first preference' applications 177 from a total of 720 applications (compared with 246 last year from a total of 784 applications) for 2020. However, the Year 7 group still reached its PAN of 240 students.

***6th Form Students' Achievements 2021-22***

- ◆ A-level pass rate 99.2%.
- ◆ A-level passes between A\* and B grades 58.3%. (Average attainment grade moved up to B-)
- ◆ With 408 A-Level entries sat across 20 different subjects. There were only 3 U grades, 1 in English Language, 1 in Chemistry & 1 in History.
- ◆ With 102 students being entered for vocational / BTEC qualifications – 66.7% achieved D\* - D.
- ◆ Over 75% of students progressed onto higher education, with 2 students attending Cambridge University.

**Strategic report (continued)**

**Achievements and performance (continued)**

**Key performance indicators (continued)**

**Key Stage 4 Achievements 2021-22**

Performance Measure	2022 Score	2021 Score	2019 Score	Explanation
<b>Attainment 8 score</b>	5.15	5.03	4.69	Average GCSE grade for all students in their best 8 subjects, with Maths and best English grade double counted.
<b>Progress 8 overall score</b>	-0.10	No national data to calculate P8 scores	-0.09	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.
<b>Progress 8 English Element</b>	-0.25	No national data to calculate P8 scores	-0.16	Difference between students' best English GCSE grade and the average grades achieved nationally by students with the same KS2 scores.
<b>Progress 8 Maths Element</b>	0.00	No national data to calculate P8 scores	-0.02	Difference between students' Maths GCSE grade and the average grades achieved nationally by students with the same KS2 scores.
<b>Progress 8 EBacc Element</b>	-0.14	No national data to calculate P8 scores	+0.06	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.
<b>Progress 8 Open Element</b>	-0.13	No national data to calculate P8 scores	-0.22	Difference between students' remaining KS4 grades not counted so far and the average grades achieved nationally by students with the same KS2 scores.
<b>EBacc point score</b>	4.54	4.31	4.23	Average GCSE grade for all students in each student's set of EBacc subject grades (English, Maths, Science, Humanities and Language) – includes a zero grade for each of the five subject areas for those students who didn't take a subject.
<b>English &amp; Maths 'strong' pass (5's)</b>	58%	50%	39%	Percentage of students achieving a grade 5 or better in one of their English GCSEs and their Maths GCSE.
<b>English &amp; Maths 'good' pass (4's)</b>	77%	76%	64%	Percentage of students achieving a grade 4 or better in one of their English GCSEs and their Maths GCSE.
<b>EBacc strong pass (5)</b>	21%	14%	18%	Percentage of students achieving a grade 5 or better in all EBacc subject categories (see EBacc point score).
<b>EBacc good pass (4)</b>	29%	21%	27%	Percentage of students achieving a grade 4 or better in all EBacc subject categories (see EBacc point score).

### **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). Excluding capital income, the Trust received £10,651k of GAG and other income during the year ended 31 August 2022 (2021: £9,939k). A high proportion 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 £10,144k before depreciation and LGPS pension costs (2021: £9,794k), leaving a surplus of £507k (2021: £145k).

The Trust brought forward from 2020/21, £544k and £907k split between restricted and unrestricted funds. The carry forward on these reserves in 2021/22 is £478k and £1,131k.

### **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 2022 was £1,609k. 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 £2,093k (2021: £1,703k).

Due to the accounting rules for Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £2,266k. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

### **Investment policy**

The Trust seeks to gain the best financial return within the level of risk considered to be acceptable by the Board and in compliance with the Charity Commission guidance on Investments.

Currently there are no planned investments.

### **Principal 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 Audit and Risk 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 Trust handbook and other DfE guidance. As a standing item on the Audit and Risk 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 Audit and Risk Committee holds the function of the Trust's Audit compliance.

The Trustees have assessed the principal 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.
- ◆ Impact of increased employers pensions contributions
- ◆ A falling pupil roll. This is highly unlikely in respect of Year 7 admissions, unless there is a drop in student numbers in the main feeder schools. 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, 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.

### **Fundraising**

The Academy Trust carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure.

### **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.

### **Trade union facilities**

The Academy has outsourced its trade union facility to a third party. The total cost of the service for the year was £3,230 (2021: £4,278).

### **Auditor**

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 Auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15/12/22 and signed on its behalf by:



Mrs T Penfold

Chair

### **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.

As Trustees, we are required to declare any Pecuniary Interests at the start of each academic year and to update any changes that may occur during the year. A register of interest is published on the school website and is updated accordingly. In accordance with the Articles of Association, as Trustees if we have any direct or indirect personal interest which conflicts or may conflict with our duties as a Trustee we must disclose that fact to the Trustees as soon as we become aware of it. We absent ourselves from any discussions of the Trustees in which it is possible that a conflict will arise between our duty and act solely in the interests of the Academy Trust. At the start of every Trustee meeting, we are required to declare any Conflict of Interest for any items on the Agenda. If there is a conflict of interest we are asked to leave the meeting while the item is discussed.

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to 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 Full Board of Trustees and three sub committees all meet six times a year. The Full Board and the Academy Effectiveness Committees met on the same day and allowed for some Trustees not in the Academy Effectiveness Committee to also observe the meeting. The Resources Committee and the Audit and Risk Committee also met 6 times a year and on the same day as each other for convenience but held separate agendas. Trustees were requested to attend appropriate sub-committee meetings which they were not formal members of so that appropriate decisions could be made quickly. These attendances have been incorporated into the report for the respective meetings. Attendance during the year at meetings of the Board of Trustees was as follows:

#### **Trustee attendance - Full Board**

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr A Benton	5	6
Mrs S Boyack resigned (19 April 2022)	4	5
Mr D Brown	6	6
Mrs C Crossley	6	6
Mr P Grundy (Principal and accounting Officer)	6	6
Mrs G Hogan	4	6
Mr R Palmer	5	6
Mrs T Penfold (Chair)	6	6
Mrs C Proffitt (on maternity leave for part of the year)	3	6
Mr A Sikora	5	6

**Trustee attendance - Full Board** (continued)

The Chair of the Board of Trustees (Mrs T Penfold) was reappointed and was also elected as Chair of the Resources Committee Mrs S Boyack was elected the Chair of Academy Effectiveness Committee.

The Board of Trustees are addressing the longer-term plan for the School with the view to possibly appoint further Trustees who will join also the Resources Committee and / or the Academy Effectiveness Committee. Towards the end of the year Mrs C Crossley and Mrs G Hogan were reappointed as Co-opted Trustees as their term of office elapsed as Parent Trustees. Two new Parent Trustees have been elected and are due to start in September 2022.

**Resources Committee**

The Resources 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.

Trustee attendance – Resources Committee:

Trustee	Meetings attended	Out of possible
Mr A Benton	6	6
Mr D Brown	5	6
Mr P Grundy (Principal and accounting Officer)	6	6
Mr R Palmer	6	6
Mrs T Penfold (Chair)	6	6

**Audit and Risk Committee**

As mentioned above, this committee has now been separated from the Resources Committee. The role of the audit and risk committee is to:

1. Oversee and approve the trust's programme of internal scrutiny
2. Ensure that risks are being addressed appropriately through internal scrutiny
3. Maintain the independence in internal scrutiny processes
4. Report to the board on the adequacy of the trust's internal control framework (this includes financial and non-financial controls and management of risks)
5. Recommend to the Board the adoption of the annual report of the independent auditors

**Trustee attendance - Full Board** (continued)

**Audit and Risk Committee** (continued)

6. Advise, liaise, and recommend to the members of the trust the appointment of the independent auditors

**Trustee attendance – Audit and Risk Committee**

Trustee	Meetings attended	Out of possible
Mr A Benton	6	6
Mr D Brown (Chair)	6	6
Mr P Grundy (Principal and accounting Officer)	6	6
Mrs T Penfold	6	6

**Academy Effectiveness Committee**

The AEC is a sub-committee of the main Board of Trustees. Its purpose is to address non-financial matters, the attendance, behaviour, discipline, health, inclusion, safeguarding and welfare of all students

They also address students' progress and achievements.

**Trustee attendance - Academy Effectiveness Committee**

Trustee	Meetings attended	Out of possible
Mr A Benton*	5	5
Mrs S Boyack (Chair) resigned 19 <sup>th</sup> April 2022	4	5
Mr D Brown*	3	3
Mrs C Crossley	6	6
Mr P Grundy (Principal and accounting Officer)	6	6
Mrs G Hogan	4	6
Mr R Palmer*	5	6
Mrs T Penfold (Chair)	6	6
Mrs C Proffitt (Nee Edward) **	3	6
Mr A Sikora	5	6

Observer\*

Maternity Leave\*\*



**Trustee attendance - Full Board** (continued)

Mrs Tracy Penfold was re-elected as chair on 30<sup>th</sup> September 2021. 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.

**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.

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 students 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 students 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 students who would benefit from additional support was continued coupled with a management focus on the drive to reduce the attainment gaps of students, i.e. "narrowing the gap" for vulnerable students.

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 secured Capital Grant funding to focus on improving the fabric of its buildings.

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.

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

### **The risk and control framework**

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Juniper Educations Services Ltd 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.

**The risk and control framework (continued)**

- ♦ Review of payroll & expenses.
- ♦ Review of income.
- ♦ Review of assets.

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

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.

**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 Audit and Risk Committee and a plan to ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on and 8/12/2021 signed on their behalf, by:

Chair



Mrs T Penfold

Accounting officer

P Grundy



**Statement of regularity, propriety and compliance 31 August 2022**

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 Academy Trust Handbook 2021.

I confirm that I and the Academy Trust's 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 in the Academy Trust Handbook 2021.

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.



Accounting Officer

P Grundy

## Statement of Trustees' responsibilities 31 August 2022

The Trustees (who are also the directors of Highams Park Academy Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under company law, the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2021 to 2022;
- ◆ Make judgements and accounting estimates that are reasonable and prudent;
- ◆ State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ Prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 8/12/22 and signed on its behalf by:



Chair  
Mrs T Penfold

**Independent auditor's report to the members Highams Park Academy Trust**

**Opinion**

We have audited the financial statements of Highams Park Academy Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the charitable company balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2022, and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

**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 charitable company 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**

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

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

**Conclusions relating to going concern** (continued)

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

**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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions 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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company 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; or



**Matters on which we are required to report by exception** (continued)

- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 charitable company'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 trustees either intend to liquidate the charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;



**Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and the subsidiary company directors' meetings and papers provided to the trustees and directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings and subsidiary company directors' meetings;

**Auditor's responsibilities for the audit of the financial statements (continued)**

- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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 charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott LLP*

Hugh Swainson (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

*16 December 2022*

**Independent reporting accountant's assurance report on regularity to Highams Park Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 26 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Highams Park Academy Trust during the period from 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the 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 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

**Approach** (continued)


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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**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 period from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date: 16 December 2022

# Statement of financial activities Year to 31 August 2022

(including income and expenditure account)

	Notes	Unrestricted general fund £	Restricted funds		2022 Total funds £	2021 Total funds £
		£	General £	Fixed assets £	£	£
<b>Income from:</b>						
Donations and capital grants	1	832	—	106,539	107,371	589,919
Charitable activities						
. Funding for the School's educational operations	2	315,980	10,138,796	—	10,454,776	9,879,567
Other trading activities	3	194,829	—	—	194,829	59,459
Investments	4	970	—	—	970	183
<b>Total income</b>		<b>512,611</b>	<b>10,138,796</b>	<b>106,539</b>	<b>10,757,946</b>	<b>10,529,128</b>
<b>Expenditure on:</b>						
Charitable activities						
. School's educational operations	5	289,265	10,245,862	618,496	11,153,623	10,694,684
<b>Total expenditure</b>	5	<b>289,265</b>	<b>10,245,862</b>	<b>618,496</b>	<b>11,153,623</b>	<b>10,694,684</b>
<b>Net expenditure before transfers</b>		<b>223,346</b>	<b>(107,066)</b>	<b>(511,957)</b>	<b>(395,677)</b>	<b>(165,556)</b>
Transfers between funds	15	—	(350,241)	350,241	—	—
<b>Net income (expenditure) for the year</b>		<b>223,346</b>	<b>(457,307)</b>	<b>(161,716)</b>	<b>(395,677)</b>	<b>(165,556)</b>
<b>Other recognised gains and losses</b>						
Actuarial gain (loss) on defined benefit pension scheme	17	—	2,461,000	—	2,461,000	(47,000)
<b>Net movement in funds</b>		<b>223,346</b>	<b>2,003,693</b>	<b>(161,716)</b>	<b>2,065,323</b>	<b>(212,556)</b>
<b>Reconciliation of funds</b>						
Fund balances brought forward at 1 September 2021		907,315	(3,792,167)	16,344,378	13,459,526	13,672,082
<b>Fund balances carried forward at 31 August 2022</b>		<b>1,130,661</b>	<b>(1,788,474)</b>	<b>16,182,662</b>	<b>15,524,849</b>	<b>13,459,526</b>

All of the Trust's activities derived from continuing operations.

# **Balance sheet** 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	11		<u>16,091,389</u>		<u>16,458,816</u>
<b>Current assets</b>					
Debtors	12	353,859		445,001	
Cash at bank and in hand		<u>2,093,268</u>		<u>1,703,344</u>	
		<u>2,447,127</u>		<u>2,148,345</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(733,988)</u>		<u>(772,543)</u>	
<b>Net current assets</b>			<u>1,713,139</u>		<u>1,375,802</u>
<b>Total net assets less current liabilities</b>			<u>17,804,528</u>		<u>17,834,618</u>
Creditors: amounts falling due after more than one year	14		<u>(13,679)</u>		<u>(39,092)</u>
<b>Net assets before defined benefit pension scheme liability</b>			<u>17,790,849</u>		<u>17,795,526</u>
Defined benefit pension scheme liability	17		<u>(2,266,000)</u>		<u>(4,336,000)</u>
<b>Total net assets</b>			<u>15,524,849</u>		<u>13,459,526</u>
<b>Funds of the Trust:</b>	15				
<b>Restricted funds</b>					
- Fixed asset funds			16,182,662		16,344,378
- Restricted income funds			477,526		543,833
- Pension reserve			<u>(2,266,000)</u>		<u>(4,336,000)</u>
<b>Total restricted funds</b>			<u>14,394,188</u>		<u>12,552,211</u>
<b>Unrestricted income funds</b>			<u>1,130,661</u>		<u>907,315</u>
<b>Total funds</b>			<u>15,524,849</u>		<u>13,459,526</u>

The financial statements on page 27 to 49 were approved by the trustees, and authorised for issue on 15/12/22 and are signed on their behalf by:

Signed   
Chair Mrs T Penfold

Highams Park Academy Trust  
Company Limited by Guarantee  
Registration Number: 07738801 (England and Wales)

## Statement of cash flows Year to 31 August 2022

		2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	A	565,364	137,959
<b>Cash flows from investing activities</b>			
	B		
Dividends, interest and rents from investments		970	183
Capital grants from DfE Group		106,539	571,602
Purchase of tangible fixed assets		(251,070)	(585,061)
<b>Net cash used in investing activities</b>		<b>(143,561)</b>	<b>(13,276)</b>
<b>Cash flows from financing activities</b>			
New other loan		—	23,000
Reversal of prior year loan		(23,000)	—
Repayment of other loan		(8,879)	(4,053)
<b>Net cash provided by financing activities</b>		<b>(31,879)</b>	<b>18,947</b>
Net increase in cash and cash equivalents in the year		389,924	143,630
Cash and cash equivalents at 1 September		1,703,344	1,559,714
<b>Cash and cash equivalents at 31 August</b>	C	<b>2,093,268</b>	<b>1,703,344</b>

### Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
<b>Net expenditure for the reporting period (as per the statement of financial activities)</b>	<b>(395,677)</b>	<b>(165,556)</b>
Adjusted for:		
Capital grants from DfE and other capital income	(106,539)	(571,602)
Investment income receivable	(970)	(183)
Defined benefit pension costs less contributions payable	312,000	257,000
Defined benefit pension scheme finance cost	79,000	76,000
Depreciation of tangible fixed assets	618,497	567,559
Decrease/(increase) in debtors	91,142	(121,755)
(Decrease)/ increase in creditors	(32,089)	96,496
<b>Net cash provided by operating activities</b>	<b>565,364</b>	<b>137,959</b>

### Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	2,093,268	1,703,344
	<b>2,093,268</b>	<b>1,703,344</b>

**Statement of cash flows** Year to 31 August 2022

**Analysis of changes in net funds**

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash	1,703,344	389,924	2,093,268
Loans falling due within one year	(11,390)	6,466	(4,924)
Loans falling due after more than one year	(39,092)	25,413	(13,679)
<b>Total</b>	<b>1,652,862</b>	<b>421,803</b>	<b>2,074,665</b>



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 accounts of the 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Highams Park Academy Trust meets the definition of a public benefit entity under FRS 102.

#### **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 charitable company 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

#### **Income**

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

#### **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 period 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 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 Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

**Donations**

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

**Other income**

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

**Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items, they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

**Donated fixed assets**

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

**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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

**Expenditure on raising funds**

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

#### **Tangible fixed assets and depreciation**

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

♦ Land and buildings	Straight line over 50 years
♦ Fixtures, fittings & equipment	Straight line over 4 years
♦ 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.

#### **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 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.

#### **Leased assets**

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

#### **Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

## **Financial instruments (continued)**

### ***Financial liabilities***

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

### **Taxation**

The 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 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.

### **Pensions benefits**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 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 net income or expenditure 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 Trust 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.

**Critical accounting estimates and areas of judgement**

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

***Critical accounting estimates and assumptions***

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

***Critical areas of judgement***

The Trustees consider that they have not made any critical judgements in the preparation of the financial statements.

## 1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Capital grants	—	55,139	55,139	571,602
Donated fixed assets	—	51,400	51,400	—
Other donations	832	—	832	18,317
	832	106,539	107,371	589,919

## 2 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>DfE / ESFA revenue grant</b>				
. General Annual Grant (GAG)	—	9,373,794	9,373,794	8,986,116
. Pupil Premium	—	336,352	336,352	326,433
. Others	—	102,046	102,046	—
	—	9,812,192	9,812,192	9,312,549
<b>Other government grants</b>				
. Local authority grants	—	249,593	249,593	221,937
	—	249,593	249,593	221,937
Other income from the academy trust's educational operations	315,980	—	315,980	158,833
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch up/ recovery premium	—	49,083	49,083	56,280
Other DfE/ESFA COVID-19 funding	—	27,928	27,928	129,968
	315,980	10,138,796	10,454,776	9,879,567

## 3 Other trading activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Hiring of facilities	9,795	—	9,795	2,430
Trip income	119,817	—	119,817	—
Other income	65,217	—	65,217	57,029
	194,829	—	194,829	59,459

## 4 Investment income

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Short term deposits	970	—	970	183

## 5 Expenditure

		Non pay expenditure			
	Staff costs £	Premises £	Other costs £	2022 Total funds £	2021 Total funds £
Funding for the school's educational operations (note 7)					
. Direct costs	6,339,721	618,496	503,203	7,461,420	7,481,047
. Allocated support costs	2,452,854	425,934	813,415	3,692,203	3,213,637
	8,792,575	1,044,430	1,316,618	11,153,623	10,694,684
<b>Net (expenditure) for the year includes:</b>				<b>2022 £</b>	<b>2021 £</b>
Fees payable to auditor for audit services				14,060	12,500
Depreciation of tangible fixed assets				618,497	567,559
Net interest on defined benefit pension liability				70,000	76,000

## 6 Charitable activities - educational operations

	2022 Total funds £	2021 Total funds £
Direct costs	7,461,420	7,481,047
Support costs	3,692,203	3,213,637
	11,153,623	10,694,684

**6 Charitable activities - school's educational operations (continued)**

	2022 Total funds £	2021 Total funds £
<b>Analysis of support costs</b>		
Support staff costs	2,452,854	2,231,526
Technology costs	136,460	75,297
Premises costs	425,934	293,054
Legal costs	9,921	55,988
Other support costs	649,560	542,353
Governance costs	17,474	15,419
<b>Total support costs</b>	<b>3,692,203</b>	<b>3,213,637</b>

**7 Comparative information**

Analysis of income and expenditure in the year ended 31 August 2021 between restricted and unrestricted funds:

		Unrestricted general fund £	Restricted funds		2021 Total funds £
	Notes		General £	Fixed assets £	
<i>Income from:</i>					
Donations and capital grants	1	12,039	6,278	571,602	589,919
Charitable activities					
. Funding for the Trust's educational operations	2	158,643	9,720,924	—	9,879,567
Other trading activities	3	46,284	13,175	—	59,459
Investments	4	183	—	—	183
<b>Total income</b>		<b>217,149</b>	<b>9,740,377</b>	<b>571,602</b>	<b>10,529,128</b>
<i>Expenditure on:</i>					
Charitable activities					
. School's educational operations	6	291,143	9,781,645	621,896	10,694,684
<b>Total expenditure</b>	5	<b>291,143</b>	<b>9,781,645</b>	<b>621,896</b>	<b>10,694,684</b>
<i>Net income (expenditure) before transfers</i>					
		(73,994)	(41,268)	(50,294)	(165,556)
Transfers between funds	15	—	(66,264)	66,264	—
<i>Net income (expenditure) for the year</i>		(73,994)	(107,532)	(15,970)	(165,556)
Other recognised gains and losses					
Actuarial (loss) gain on defined benefit pension scheme	17	—	(47,000)	—	(47,000)
<b>Net movement in funds</b>		<b>(73,994)</b>	<b>(154,532)</b>	<b>15,970</b>	<b>(212,556)</b>
<i>Reconciliation of funds</i>					
Fund balances brought forward at 1 September 2020		981,309	(3,637,635)	16,328,408	13,672,082
Fund balances carried forward at 31 August 2021		907,315	(3,792,167)	16,344,378	13,459,526



## 8 Staff costs

### (a) Staff costs

Staff costs during the year were:

	2022 Total funds £	2021 Total funds £
Wages and salaries	6,408,417	6,288,089
Social security costs	690,912	663,188
Pension costs	1,635,267	1,574,481
	<b>8,734,596</b>	<b>8,525,758</b>
Agency staff costs	57,979	35,556
Total staff expenditure	<b>8,792,575</b>	<b>8,561,314</b>

### (b) Staff numbers

The average numbers of persons (including Senior Management Team) employed by the Trust during the period was as follows:

	2022	2021
Teachers	100	101
Administration and support	100	78
Management	11	12
	<b>211</b>	<b>191</b>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2022 FTE	2021 FTE
Teachers	92	92
Administration and support	65	57
Management	12	12
	<b>169</b>	<b>161</b>

## 8 Staff costs (continued)

### (c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2022 No.	2021 No.
£60,001 - £70,000	6	4
£70,001 - £80,000	2	3
£80,001 - £90,000	2	2
£110,001 - £120,000	1	1

### (d) Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,162,005 (2021: £1,222,936).

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

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

The value of Trustees' remuneration and other benefits was as follows:

	31 August 2022 £	31 August 2021 £
P Grundy - Principal:		
. Remuneration	115,000 - 120,000	115,000 - 120,000
. Employer's pension contribution	25,000 - 30,000	25,000 - 30,000
R Palmer - Staff:		
. Remuneration	55,000 - 60,000	50,000 - 55,000
. Employer's pension contribution	5,000 - 10,000	5,000 - 10,000
A Sikora - Staff:		
. Remuneration	45,000 - 50,000	45,000 - 50,000
. Employer's pension contribution	10,000 - 15,000	10,000 - 15,000
T Morris – Staff:		
. Remuneration	75,000 - 80,000	—
. Employer's pension contribution	15,000 - 20,000	—

During the year, travel and subsistence payments of £nil (2021: £nil) were reimbursed or paid directly to no trustees (2021: no trustee).

Other related party transactions involving the Trustees are set out within the related parties note.

# **10 Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

# **11 Tangible fixed assets**

	Land and buildings £	Fixtures and fittings and equipment £	Motor vehicles £	Total funds £
<b>Cost</b>				
At 1 September 2021	19,550,889	978,386	7,500	<b>20,536,775</b>
Additions	26,298	224,772	—	<b>251,070</b>
At 31 August 2022	<u>19,577,187</u>	<u>1,203,158</u>	<u>7,500</u>	<u><b>20,787,845</b></u>
<b>Depreciation</b>				
At 1 September 2021	3,433,017	637,477	7,465	<b>4,077,959</b>
Charge for the year	395,959	222,503	35	<b>618,497</b>
At 31 August 2022	<u>3,828,976</u>	<u>859,980</u>	<u>7,500</u>	<u><b>4,696,456</b></u>
<b>Net book value</b>				
At 31 August 2022	<u><b>15,748,211</b></u>	<u><b>343,178</b></u>	<u><b>—</b></u>	<u><b>16,091,389</b></u>
At 31 August 2021	<u>16,117,872</u>	<u>340,909</u>	<u>35</u>	<u>16,458,816</u>

# **12 Debtors**

	2022 £	2021 £
Trade debtors	<b>28,367</b>	9,050
VAT recoverable	<b>49,914</b>	65,838
Other debtors	<b>9,515</b>	9,320
Prepayments and accrued income	<b>266,063</b>	360,793
	<u><b>353,859</b></u>	<u>445,001</u>

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

	2022 £	2021 £
Trade creditors	<b>211,776</b>	171,824
Taxation and social security	<b>170,368</b>	160,017
Loans	<b>4,924</b>	11,390
Other creditors	<b>222,598</b>	155,773
Accruals and deferred income	<b>124,322</b>	273,539
	<u><b>733,988</b></u>	<u>772,543</u>

**14 Creditors: amounts falling due after more than one year**

	2022 £	2021 £
Other loans	13,679	39,092
	<b>13,679</b>	<b>39,092</b>
<b>Analysis of loans</b>		
	2022 £	2021 £
Wholly repayable within five years	18,603	50,482
Less: included in current liabilities	(4,924)	(11,390)
Amounts included above	<b>13,679</b>	<b>39,092</b>
<b>Loan maturity</b>		
Debt due in one year or less	4,924	11,390
Due in more than one year but not more than two years	6,465	11,390
Due in more than two years but not more than five years	7,214	27,702
	<b>18,603</b>	<b>50,482</b>

Loans are comprised of four public benefit entity concessionary loans. These loans are charged interest at a rate significantly below market rate.

Two of the loans do not bear interest and are repaid in biannual instalments in equal tranches over an eight year period. One loan bears interest at 2.01% per annum and is repaid over ten equal instalments over a five year period, the other loan bears interest at 2.31% per annum and is also repaid over ten equal instalments over a five year period.

**15 Funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Revenue restricted funds</b>					
. General Annual Grant (GAG)	543,833	9,373,794	(9,089,860)	(350,241)	<b>477,526</b>
. Pupil Premium	—	336,352	(336,352)	—	—
. Catch up/ recovery premium	—	49,083	(49,083)	—	—
. Other DfE / ESFA COVID-19	—	27,928	(27,928)	—	—
. Other restricted funds	—	351,639	(351,639)	—	—
. Pension reserve	(4,336,000)	—	(391,000)	2,461,000	<b>(2,266,000)</b>
	<u>(3,792,167)</u>	<u>10,138,796</u>	<u>(10,245,862)</u>	<u>2,110,759</u>	<u><b>(1,788,474)</b></u>
<b>Restricted fixed asset funds</b>					
. Inherited on conversion	12,593,699	—	(314,842)	—	<b>12,278,857</b>
. Fixed asset fund	3,750,679	106,539	(303,654)	350,241	<b>3,903,805</b>
	<u>16,344,378</u>	<u>106,539</u>	<u>(618,496)</u>	<u>350,241</u>	<u><b>16,182,662</b></u>
<b>Total restricted funds</b>	<u>12,552,211</u>	<u>10,245,335</u>	<u>(10,864,358)</u>	<u>2,461,000</u>	<u><b>14,394,188</b></u>
<b>Unrestricted funds</b>					
. General funds	907,315	512,611	(289,265)	—	<b>1,130,661</b>
<b>Total unrestricted funds</b>	<u>907,315</u>	<u>512,611</u>	<u>(289,265)</u>	<u>—</u>	<u><b>1,130,661</b></u>
<b>Total funds</b>	<u>13,459,526</u>	<u>10,757,946</u>	<u>(11,153,623)</u>	<u>2,461,000</u>	<u><b>15,524,849</b></u>

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

**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.

## 15 Funds (continued)

### 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 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.

### Transfer between funds

A transfer from restricted general funds to restricted fixed asset funds was necessary to fund fixed assets purchased during the year.

### Comparative information

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<i>Revenue restricted funds</i>					
. General Annual Grant (GAG)	318,365	8,986,116	(8,694,384)	(66,264)	543,833
. Other DfE/ESFA grants	—	326,433	(326,433)	—	—
. Other government grants	—	221,937	(221,937)	—	—
. COVID-19 additional funding (DfE / ESFA)	—	148,078	(148,078)	—	—
. Non DfE / ESFA COVID-19	—	38,170	(38,170)	—	—
. Other restricted funds	—	19,643	(19,643)	—	—
. Pension reserve	(3,956,000)	—	(333,000)	(47,000)	(4,336,000)
	<u>(3,637,635)</u>	<u>9,740,377</u>	<u>(9,781,645)</u>	<u>(113,264)</u>	<u>(3,792,167)</u>
<i>Restricted fixed asset funds</i>					
. Inherited on conversion	12,908,541	—	(314,842)	—	12,593,699
. Fixed asset fund	3,419,867	571,602	(307,054)	66,264	3,750,679
	<u>16,328,408</u>	<u>571,602</u>	<u>(621,896)</u>	<u>66,264</u>	<u>16,344,378</u>
<i>Total restricted funds</i>	<u>12,690,773</u>	<u>10,311,979</u>	<u>(10,403,541)</u>	<u>(47,000)</u>	<u>12,552,211</u>
<i>Unrestricted funds</i>					
. General funds	981,309	217,149	(291,143)	—	907,315
<i>Total unrestricted funds</i>					
<i>Total funds</i>	<u>13,672,082</u>	<u>10,529,128</u>	<u>(10,694,684)</u>	<u>(47,000)</u>	<u>13,459,526</u>

**16 Analysis of net assets between funds**

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2022 £
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	—	—	16,091,389	<b>16,091,389</b>
Current assets	1,130,661	1,205,796	110,670	<b>2,447,127</b>
Creditors falling due within one year	—	(727,522)	(6,466)	<b>(733,988)</b>
Creditors falling due after one year	—	(748)	(12,931)	<b>(13,679)</b>
Defined benefit pension liability	—	(2,266,000)	—	<b>(2,266,000)</b>
<b>Total net assets</b>	<b>1,130,661</b>	<b>(1,788,474)</b>	<b>16,182,662</b>	<b>15,524,849</b>

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2021 £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	—	—	16,458,816	<b>16,458,816</b>
Current assets	909,410	1,237,048	1,887	<b>2,148,345</b>
Creditors falling due within one year	(2,095)	(654,123)	(116,325)	<b>(772,543)</b>
Creditors falling due after one year	—	(39,092)	—	<b>(39,092)</b>
Defined benefit pension liability	—	(4,336,000)	—	<b>(4,336,000)</b>
<b>Total net assets</b>	<b>907,315</b>	<b>(3,792,167)</b>	<b>16,344,378</b>	<b>13,459,526</b>

**17 Pension and similar obligations**

The 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 the London Borough of Waltham Forest. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of both schemes related to the period ended 31 March 2019.

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

## 17 Pension and similar obligations (continued)

### ***Teachers' Pension Scheme***

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

### ***Valuation of the Teachers' Pension Scheme***

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

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



## 17 Pension and similar obligations (continued)

### *Scheme changes*

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2024.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. The employer's pension costs paid to the TPS in the period amounted to £1,034,971 (2021: £1,043,255).

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 pension scheme, with the assets held in separate trustee- administered funds. The total contributions are as noted below.

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.

	2022 £	2021 £
<b>Total contributions made</b>		
Employer's contributions	280,000	275,000
Employees' contributions	82,000	80,000
	<b>362,000</b>	<b>355,000</b>

**17 Pension and similar obligations (continued)**

***Local Government Pension Scheme (continued)***

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2022</b>	<b>At 31 August 2021</b>
Rate of increase in salaries	4.4%	4.2%
Rate of increase for pensions in payment / inflation	3.0%	2.8%
Discount rate for scheme liabilities	4.3%	1.7%
Inflation assumption (CPI)	2.9%	2.7%

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

	<b>At 31 August 2022</b>	<b>At 31 August 2021</b>
<i>Retiring today</i>		
Males	27.0	22.7
Females	24.1	25.2
<i>Retiring in 20 years</i>		
Males	25.1	24.4
Females	22.6	27.1

Scheme liabilities would have been affected by changes in assumptions as follows:

	<b>At 31 August 2022 £</b>	<b>At 31 August 2021 £</b>
Discount rate +0.1%	(107,000)	(146,000)
Mortality assumption – 1 year increase	120,000	252,000
CPI rate +0.1%	110,000	148,000

The Trust's share of the assets and liabilities in the scheme were:

	<b>Fair value at 31 August 2022 £</b>	<b>Fair value at 31 August 2021 £</b>
Equities	2,197,000	2,830,000
Corporate bonds	600,000	—
Cash and other liquid assets	111,000	136,000
Property	400,000	334,000
Other assets	264,000	291,000
<b>Total market value of assets</b>	<b>3,572,000</b>	<b>3,591,000</b>

## 17 Pension and similar obligations (continued)

### *Local Government Pension Scheme (continued)*

The actual return on scheme assets was £302,000 (2021: £430,000 ).

Amounts recognised in statement of financial activities	2022 £	2021 £
Current service cost	592,000	532,000
Interest income	(64,000)	(46,000)
Interest cost	134,000	122,000
Admin expenses	9,000	—
<b>Total amount recognised in the SOFA</b>	<b>671,000</b>	<b>608,000</b>

Changes in the present value of defined benefit obligations were as follows:	2022 £	2021 £
At 1 September 2021	7,927,000	6,853,000
Current service cost	592,000	532,000
Interest cost	134,000	122,000
Employee contributions	82,000	80,000
Actuarial (gain) loss	(2,827,000)	431,000
Benefits paid	(70,000)	(91,000)
<b>At 31 August 2022</b>	<b>5,838,000</b>	<b>7,927,000</b>

Changes in the fair value of the Trust's share of scheme assets:	2022 £	2021 £
At 1 September 2021	3,591,000	2,897,000
Interest income	64,000	46,000
Actuarial (loss) gain	(366,000)	384,000
Employer contributions	280,000	275,000
Employee contributions	82,000	80,000
Benefits paid	(70,000)	(91,000)
Admin expenses	(9,000)	—
<b>At 31 August 2022</b>	<b>3,572,000</b>	<b>3,591,000</b>

## 18 Related party transactions

No related party transactions took place in the period of account other than certain Trustees' remuneration disclosed in note 9.

## 19 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.



December 2022

## **Highams Park School Financial Statements 2021-22 - Going Concern assessment by the Highams Park School Trustees**

### **BACKGROUND**

The preparation of the financial statements requires the Trustees to consider whether their preparation on a “going concern” basis is appropriate and whether there are any material uncertainties relating to going concern which might require disclosure in the financial statements.

FRS102 states that an entity is a going concern, and thus its accounts should be prepared on a going concern basis unless “*management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.*”

It may therefore be appropriate to prepare the financial statements on a going concern basis notwithstanding risks and prevailing circumstances which create a real probability that the entity might cease to be a going concern in the foreseeable future. Such circumstances may constitute a material uncertainty related to going concern. Where such material uncertainties are identified, FRS102 requires that those uncertainties are disclosed.

While disclosure is only strictly required for material (or significant) uncertainties, it is best practice to disclose the basis of the trustees’ conclusion that there are no such material uncertainties where this is the case.

The Trustees’ assessment of going concern needs to consider all circumstances and uncertainties up to the date of the approval of the financial statements, as a result this assessment and the supporting documentation on which it is based, will need to be revisited prior to signing the financial statements.

### **THE TRUSTEES’ ASSESSMENT OF GOING CONCERN**

#### **Supporting documentation**

To make this assessment in relation to the preparation of the financial statements of the academy trust for the year ended 31 August 2022, the Trustees have considered the following evidence:

*Please provide details of supporting documentation considered by the Trustees as part of their assessment, including;*

- *BFRO and BFR3Y*
- *A narrative report from management setting out the key assumptions and risks within the BFRO and the BFR3Y*
- *The reserves policy*
- *The financial position reported in the financial statements*

In making their assessment, the trustees have considered a period of not less than one year from the date of approval of the financial statements, i.e. at least to 31 December 2023.

#### **Processes and controls**

The Trustees consider that the academy trust’s process and controls are sufficiently robust for them to make informed decisions as to its current financial position, and its ability to react to possible adverse funding situations.





## Financial position and forecast

### A. Financial position

In making their assessment of going concern, the Trustees have considered the current financial position and available reserves of the academy trust, in particular:

Cash balance	£2,093,268
Available revenue reserves	£1,608,187
Reserves policy	<i>The academy trust is operating within its reserves policy which had increased by August 2022</i>

### B. Key assumptions

We consider the following to be the most significant assumptions and uncertainties within the forecast, including:

Change of Principal, pupil numbers, pension contribution rates, rates of salary increases, level of funding and associated increases, outcome of an employment tribunal case, ability to cut staffing budget or timing of a large receipt

### C. Sensitivity analysis and contingency planning

In making their assessment of going concern, the Trustees have considered the range of possible outcomes, as well as mitigating actions which could be taken by the academy trust. The Trustees have considered whether there are any realistic scenarios within 12 months of approving the financial statements that could impact the going concern assessment, which they need to make the reader of the annual accounts aware of.

The Trustees have concluded that, they have not identified any realistic scenarios that could impact the going concern assessment that they need to make the reader of the accounts aware of.

## CONCLUSION

The Trustees have considered the going concern basis of preparation of the academy trusts financial statements. Based on these considerations, the Trustees have concluded that:

- *The going concern basis of preparation of the financial statements is appropriate;*
- *there are no material uncertainties in connection with the going concern basis of preparation of the financial statements; and*
- *the disclosures within the financial statements regarding going concern are adequate.*

Signed on behalf of the Board of Trustees of Highams Park School:

Trustee

Date:

8-2-22







# Highams Park School

An independent state funded Academy

Principal - Mr P Grundy BA (Hons) PGCE

34 Handsworth Avenue  
Highams Park  
London E4 9PJ

Phone: 020 8527 4051  
Fax: 020 8503 3349  
enquiries@highamsparkschool.co.uk  
www.highamsparkschool.co.uk

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

Your ref HPA002 HJS/CS

08 December 2022

Dear Buzzacott LLP

## Audit representations – Highams Park School Academy Trust

This representation letter is provided in connection with your audit of the financial statements of Highams Park School (the Academy Trust) for the year ended 31 August 2022 for the purposes of expressing an opinion as to whether the financial statements are true and fair in all material respects.

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you.

### 1. General

We have fulfilled our responsibilities under the Companies Act 2006, as set out in the terms of engagement letter dated 26 May 2022 for the preparation of the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) which give a true and fair view and for making accurate representations to you as auditor.

We confirm that all the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Academy Trust have been adequately reflected and recorded in the accounting records. All other records and related information, including minutes of trustee meetings, have been made available to you. We have provided additional information that you have requested from us for the purposes of the audit and we have given you unrestricted access to persons within the Academy Trust in order to obtain audit evidence.

### 2. Going concern

We believe that the Academy Trust's financial statements should be prepared on a going concern basis on the grounds that, based on our assessment of the feasibility of future plans, current and future sources of funding or support will be more than adequate for the Academy Trust's needs. We believe that no further disclosures relating to the Academy Trust's ability to continue as a going concern need to be made in the financial statements. In assessing going concern, we have paid particular attention to a period of not less than one year from the date of approval of the financial statements.





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[www.highamsparkschool.co.uk](http://www.highamsparkschool.co.uk)

### 3. Accounting policies

We believe that the accounting policies and estimation techniques adopted for the preparation of the financial statements are the most appropriate to the circumstances in which the Academy Trust operates.

### 4. Fraud

We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud, and have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We are not aware of any irregularities, including fraud and suspected fraud, involving management, employees who have significant roles in internal control, or those employed by the Academy Trust where the fraud could have a material effect on the financial statements. No allegations of such irregularities or breaches have come to our attention.

### 5. Laws and regulations

Details of all laws and regulations that are fundamental to the operation and activities of the Academy Trust have been made available to you.

We are not aware of any breaches or possible breaches of statute, regulations, contracts, agreements or the Academy Trust's Memorandum and Articles of Association which might prejudice the Academy Trust's going concern status or that might result in the Academy Trust suffering significant penalties or other loss. No allegations of such breaches have come to our notice. We are not aware of any reason why the tax status of the Academy Trust may be jeopardised.

### 6. Loans and arrangements

The Academy Trust has not had nor entered into at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit facilities) for trustees nor to guarantee or provide security for such matters.

### 7. Liabilities, provisions and contingencies

Except as stated in the financial statements, there are no unrecorded liabilities, actual or contingent. We are not aware of any material provisions, contingent liabilities, contingent assets or contracted for capital commitments, that need to be provided for or disclosed in the financial statements.

### 8. Related parties

We confirm that we have disclosed to you the identity of the Academy Trust's related parties and all of the transactions with those parties of which we are aware. The Academy Trust has not entered into any transactions involving trustees, officers or other related parties, which require disclosure under the Companies Act the







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Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency, or Financial Reporting Standards.

## 9. Post balance sheet events

There have been no events since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. Should further material events occur, which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.

## 10. Grants and donations

All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been identified in the financial statements and accounting records appropriately or otherwise notified to you. There have been no breaches of terms or conditions during the period in the application of such income.

## 11. Accounting estimates and significant judgements

We confirm that the significant judgements and assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Academy Trust.

The items in the financial statements where these significant judgements and estimates have been made include:

- the estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation charge; and
- Estimating the impact of the Supreme Court ruling on the holiday pay entitlement of permanent staff on variable contracts, which although open to interpretation, has been assessed to be immaterial; and
- the various actuarial assumptions adopted in determining the estimate liability in respect of the Local Government Pension Scheme (see below).

## 12. Defined benefit pension scheme

With regard to the defined benefit pension scheme, we are satisfied that:

- the actuarial assumptions underlying the valuation are consistent with our knowledge of the Academy Trust;
- all significant retirement benefits have been identified and properly accounted for; and
- all settlements and curtailments have been identified and properly accounted for.





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## 13. Adjustments

We confirm that we have agreed the adjustments detailed in your post-audit report which have been made to the statement of financial activities and balance sheet which we presented to you for audit.

## 14. Unadjusted misstatements

We confirm that the reason why the unadjusted misstatements that you have brought to our attention in your post-audit management report have not been adjusted is that the trustees believe that the combined effect is not material to the truth and fairness of the financial statements.

## 15. Regularity assurance

We confirm that all relevant documentation has been made available to you for the purposes of the regularity assurance work. We confirm that you have provided us with a "regularity self-assessment" form, which has been completed by the Academy Trust's Accounting Officer and returned to you.

We are not aware of any matters excluded from this form which impact either the Accounting Officer's statement on regularity, propriety and compliance or your conclusion on regularity as reporting accountants.

## 16. Ethics

We confirm that we have been notified by you that there are no matters which you are required to raise with us to comply with your profession's ethical guidance which are in addition to the matters included in your audit strategy document.

We confirm that the above representations are made on the basis of appropriate enquiries of other trustees, management and staff with the relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed on behalf of the Board of trustees of  
Highams Park School Academy Trust

15/12/22

Date

