

Highcliffe School

(A company limited by guarantee)

Annual Report and Financial Statements

period from 1 September 2022 to 31 October 2022

Company Registration number: 07631213 (England and Wales)

Highcliffe School

Contents

Reference and Administrative Details	1 to 2
Governors' Report	3 to 8
Governance Statement	9 to 12
Statement of Regularity, Propriety and Compliance	13
Statement of Governors' Responsibilities	14
Independent Auditor's Report on the Financial Statements to the Members of Highcliffe School	15 to 18
Independent Reporting Accountant's Assurance Report on Regularity	19 to 20
Statement of Financial Activities for the period from 01 September 2022 to 31 October 2022 (including Income and Expenditure Account)	21 to 22
Balance Sheet as at 31 October 2022	23
Statement of Cash Flows for the period from 01 September 2022 to 31 October 2022	24
Notes to the Financial Statements	25 to 46

Highcliffe School

Reference and Administrative Details

Members	Mr P A Hilliard
	Mr J Allin
	Mr S Midgley
	Mr G Moore
	Mr M Bath
Governors	Mr P D Earnshaw, * (Headteacher)
	Mr P A Hilliard, * (Chair of Governors)
	Ms J Bascombe
	Captain M Ellis
	Ms S E Evans
	Ms K A Pichlmann
	Ms E-K A Rickard
	Mr S Sesodia, *
	Mr N Sykes, *
	Mr S J Welch
	Mr G West, *

* Members of the Resources Committee.

Highcliffe School

Reference and Administrative Details (continued)

Principal	Mr P D Earnshaw
Company Registration Number	07631213
Independent Auditor	PKF Francis Clark Statutory Auditor Hitchcock House Hilltop Park Devizes Road Salisbury Wiltshire SP3 4UF
Senior Management Team	Mr P D Earnshaw, Headteacher Mr E Davies, Assistant Headteacher Mr M Downs, Assistant Headteacher Ms S Giller, Assistant Headteacher Ms L Swan, Assistant Headteacher Mr D Newman, Director of Business and Finance - Resigned 1/12/2022
Principal and Registered Office	Parkside Highcliffe Christchurch Dorset BH23 4QD
Bankers	Lloyds Bank Plc 4 Castle Street Christchurch Dorset BH23 1DU
Solicitors	Stone King LLP Boundary House 91 Charterhouse St London EC1M 6HR

Highcliffe School

Governors' Report for the period from 1 September 2022 to 31 October 2022

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period from 1st September 2022 to 31 October 2022. The annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 19 serving a catchment area in East Dorset and the New Forest. It has a pupil capacity of 1,401 and had a roll of 1,516 in the school census for January 2022.

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Governors' Indemnities

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

Method of recruitment and appointment or election of Governors

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

Policies and procedures adopted for the induction and training of Governors

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

Highcliffe School

Governors' Report for the period from 1 September 2022 to 31 October 2022 (continued)

Organisational Structure

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

The Resources Committee meets several times a year and oversees financial matters, maintenance of the school site and buildings and health and safety. The Committee also reviews financial controls and risks and agrees relevant programmes of work to implement required improvements. In addition¹ at least once a year its agenda will review the School's pay policies, the School's Performance Management process and oversee matters relating to staffing, including annual review of the Headteacher's performance.

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

All committees conduct an annual review of policies.

Arrangements for setting pay and remuneration of key management personnel

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

Trade union facility time

Relevant union officials

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

Related Parties and other Connected Charities and Organisations

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

Highcliffe School

Governors' Report for the period from 1 September 2022 to 31 October 2022 (continued)

Objectives and Activities

Objects and Aims

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

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

Objectives, Strategies and Activities

Our Mission

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

Public Benefit

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

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

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

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

The school maintains strong curriculum links with its seven feeder schools both in Dorset and Hampshire via the Highcliffe Learning Alliance. Outreach work occurred in Mathematics, Modern Foreign Languages, Science, Physical Education, and Music.

Highcliffe School

Governors' Report for the period from 1 September 2022 to 31 October 2022 (continued)

Strategic Report

Achievements and Performance

GCSE and A Level exams resumed in 2022. There are no performance tables this year or A Level measuring 'value added' from GCSE because the year group got their GCSEs through the Centre Assessed Grades process after their exams were cancelled. Whilst we cannot comment on 'progress' we can measure performance in terms of 'attainment'.

Sixth Form

Cohort APS KS4 N/A owing to CAGs/ and size	No published performance tables this year owing to CAGs/ 153
A Level/BTEC L3 % A*/A Grades	37%
A Level/BTEC Level 3 % A*-B Grades	60%
A Level/BTEC Level 3 % A*-C	78%
Overall Pass Rate	98
Number of Students achieving average Grade A or above in all 3 subjects /out of cohort total	39/153
Average Grade	B-
Highly provisional VA Score*	+0.06 (DfE not calculating so based on 2019 outcomes)

All students wishing to progress to University did so or received deferred offers to access their University next year. Where students opted to apprenticeships, we supported these students fully in their application and any difficulties presented due to the pandemic.

At the end of GCSE we saw a high number of students continue their education in to our Sixth Form with students showing a trust in Highcliffe School to support them into their Key Stage 5 education. Students were also supported fully by our Careers adviser in moving to alternative providers where this was suitable.

GCSE

Outcomes for students were:

Progress 8: -0.05 (Average category)

Attainment 8: 51

(48.7 national)

EBacc Entry: 59% (39% national)

Grade 4 in Eng and Mat

Grade 5 in Eng and Mat: 49% (50% national)

EBacc APS: 4.69 (4.27 national)

Entering further education or training 2020 Year 11 leavers cohort (last year of data): 96% (94% national).

Governors annually use the period from September to October to review examination results to assess where subject improvement has been made and where additional support may be required. This was carried out and fed into the schools development plan and subject improvement plans.

Highcliffe School

Governors' Report for the period from 1 September 2022 to 31 October 2022 (continued)

Strategic Report

Going Concern

Working in conjunction with the ESFA and the RSC the senior Leadership Team and Governors identified the HISP Multi Academy Trust as a prospective partner and it was agreed that Highcliffe School would join the MAT on 1st November 2022.

The transfer to the new MAT means that the academy's operations are transferred and the academy will continue in the HISP Academy Trust. The company itself continues to exist separately but due to the transfer of the operations of the company, it is not a going concern.

As the academy has now transitioned into the MAT the Governors have prepared these accounts on the basis other than going concern. The academy has disclosed any material adjustments required as a result of ceasing to apply the going concern basis and measured assets, liabilities and pension deficit at their recoverable or settlement amounts. The assets, liabilities, pension deficit and operations of the academy are transferred at nil consideration.

Financial Review

During the year to 31 October 2022, the school generated through improved per pupil income and continuation of cost control strategies that have been implemented over the last few years a surplus of £65,000 (2022 - £213,000) in the restricted general fund after transfers and excluding the pension reserve, which relates mainly to the recurrent general grant from the Education and Skills Funding Agency. The unrestricted balance at 31 October 2022 was £815,000 (2022 - £813,000) this was after a robust overview of contracts and controllable costs which will continue in the new financial year. The school was able to secure additional funding of £1.8m to install a more energy efficient heating and hot water system throughout the school. Work started in February 2022 and was completed early October 2022.

The academy is no longer a going concern and full details are found in note 1 of the accounts.

Reserves Policy

The total of reserves held in both restricted and unrestricted revenue funds, excluding the pension fund reserve, amounts to a £721,000 surplus (2022 - £654,000). This includes amounts of funding received by the school prior to conversion to academy status. The Governors intend that Reserves should be retained at an appropriate but not excessive level to balance the continual investment in year with planning for future developments. Longer term initiatives include the review of arrangements to provide places for increased student numbers transferring from local feeder schools and planned new housing developments in the locality.

Reserves will transfer to the HISP MAT on 1st November 2022.

Principal Risks and Uncertainties

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

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

Highcliffe School

Governors' Report for the period from 1 September 2022 to 31 October 2022 (continued)

Strategic Report

Fundraising

The academy trust does not use external fund raisers.

All fundraising activities undertaken in the year was monitored by the Governors.

Plans for Future Periods

The Governing Body is committed to maintaining and improving the infrastructure of the School whilst maintaining a balanced budget. It has done this by having a detailed three-year financial plan which has been flexed to ensure it is robust enough to survive risks such as fall in pupil numbers, reduced funding or another Covid outbreak.

In addition, the School actively bids through the ESFAs Condition Improvement fund and School Rebuilding Programme. The school heard in December 2022 that an application to be included in the school rebuilding programme has been successful to replace all temporary buildings.

Over the period between September 2022 and November 2022 Highcliffe School also undertook work in preparation for joining HISP Multi Academy Trust as at 1st of November 2022. This included undertaking the required consultations and TUPE process.

Although the legal entity is now empty and its accounts are prepared on a basis other than going concern as explained in note 1, the academy itself continues within HISP Multi Academy Trust.

Auditor

Insofar as the Governors are aware:

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

The Governors' Report, incorporating a Strategic Report, was approved by order of the Governing Body, as the company directors, on 27/2/23 and signed on the board's behalf by:



Mr P A Hilliard
Governor

Date: 27/2/23

Highcliffe School

Governance Statement

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Mr P D Earnshaw, * (Headteacher), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Highcliffe School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 1 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr P D Earnshaw, * (Headteacher)	0	1
Captain M Ellis	1	1
Mr P A Hilliard, * (Chair of Governors)	1	1
Ms S E Evans	1	1
Ms K A Pichlmann	1	1
Ms E-K A Rickard	1	1
Mr S Sesodia, *	0	1
Mr G West, *	1	1
Ms J Bascombe	1	1
Mr S J Welch	0	1
Mr N Sykes, *	1	1

Highcliffe School

Governance Statement (continued)

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

- receiving quotations, tenders and contracts for all services;
- risk management and insurance arrangements;
- the maintenance, refurbishment and safety of buildings.
- establishing arrangements for internal audit;
- informing the Governance Statement in the statutory published accounts;
- providing assurance to the external auditors.

Activities of this committee during the academic year 2022/2023 included:

- ensuring completion of statutory returns to the Education & Skills Funding Agency
 - setting a 3-year budget forecast and reviewing performance against this throughout the year
 - approving the charging policy for 2022/23
 - reviewing Financial Controls Documents
 - attendance at meetings during the year was as follows:
- Attendance at meetings during the period was as follows:

Trustee	Meetings attended	Out of a possible
Mr P D Earnshaw	1	1
Ms J Bascombe	1	1
Mr N Sykes	1	1
Mr S Sesodia	1	1
Mr P A Hilliard	1	1
Mr G West	1	1
Ms E-K A Rickard	1	1

Review of Value for Money

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

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

Over the coming year, the school intends to conduct a review of all major contracts currently in place to ensure best value is being achieved. This will include a tender process to renew or replace our current catering provision whose contract will come to an end in August 2023.

Highcliffe School

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The school undertook a review and update of internal controls during the last year to ensure these controls reflected the increased threat of fraud and cyber ransomware currently facing schools.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 October 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

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

Review of Effectiveness

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


- The work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Highcliffe School

Governance Statement (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 24/2/23 and signed on its behalf by:



Mr P A Hilliard
Governor


Highcliffe School

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Highcliffe School I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2022.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2022.

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


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

Date: 27/2/23

Highcliffe School

Statement of Governors' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 24/2/23 and signed on its behalf by:



Mr P A Hilliard
Governor

Highcliffe School

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

Opinion

We have audited the financial statements of Highcliffe School (the 'Academy') for the period from 1 September 2022 to 31 October 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to Note 1 of the financial statements which explains the school's activities will be transferred to HISP MAT with effect from 1 November 2022 and therefore the Trustees do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

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

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

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.

Highcliffe School

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Governors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Governors' Report.

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

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

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 14, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Highcliffe School

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

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the education sector in which it operates to identify the key laws and regulations affecting the entity. The key laws and regulations we identified were compliance with the funding agreement and Academies Financial Handbook 2022 and requirements with regard to safeguarding.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Academies Accounts Direction 2021/22, Companies Act 2006 and Charities Act 2011.

We discussed with management how the compliance with these laws and regulations is monitored and discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue operating and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud of which there were none.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Reviewed board minutes.

We also evaluated the risk of fraud through management override including that arising from management's incentives. We determined that these risks are low as the academy operates on a charitable, not for profit basis and so there would be no motivation for management to influence performance for individual gain. However, there was considered a risk of the inappropriate allocation of expenditure against restricted funds.

In response to the identified risk, as part of our audit work we:

- Reviewed the material restricted grant income sources, identified the related conditions and reviewed the nature of expenditure set against it for appropriateness, together with sample testing on expenditure;
- Used data analytics to test journal entries throughout the period, for appropriateness;
- Reviewed accounting estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Highcliffe School

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

Use of our report

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



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

Hitchcock House
Hilltop Park
Devizes Road
Salisbury
Wiltshire
SP3 4UF

Date: 28 February 2023
.....

Highcliffe School

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

In accordance with the terms of our engagement letter dated 12 October 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 Highcliffe School during the period 1 September 2022 to 31 October 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 Highcliffe School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Highcliffe School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Highcliffe School and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Highcliffe School's funding agreement with the Secretary of State for Education dated 30 March 2011 and the Academies Financial Handbook 2022, 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 2022 to 31 October 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

Highcliffe School

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

Conclusion

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



.....
Paul Giessler FCA

For and on behalf of Francis Clark LLP, Chartered Accountants

Hitchcock House
Hilltop Park
Devizes Road
Salisbury
Wiltshire
SP3 4UF

Date: 28 February 2023
.....

Highcliffe School

Statement of Financial Activities for the Period from 1 September 2022 to 31 October 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	October 2022 Total £ 000
Income and endowments from:					
Donations and capital grants	2	1	-	-	1
Other trading activities	4	63	-	-	63
<i>Charitable activities:</i>					
Funding for the Academy Trust's charitable operations	3	43	1,511	-	1,554
Total		107	1,511	-	1,618
Expenditure on:					
Raising funds	5	62	-	-	62
<i>Charitable activities:</i>					
Academy trust educational operations	6	43	1,455	60	1,558
Total		105	1,455	60	1,620
Net income/(expenditure)		2	56	(60)	(2)
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes	20	-	693	-	693
Net movement in funds/(deficit)		2	749	(60)	691
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2022		813	(1,688)	16,039	15,164
Total funds/(deficit) carried forward at 31 October 2022		815	(939)	15,979	15,855

Highcliffe School

Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

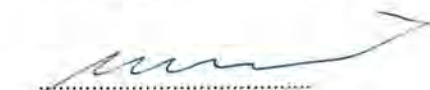
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total August 2022 £ 000
Income and endowments from:					
Donations and capital grants	2	99	-	1,081	1,180
<i>Charitable activities:</i>					
Funding for the Academy Trust's charitable operations	3	373	8,799	-	9,172
Other trading activities	4	261	-	-	261
Total		733	8,799	1,081	10,613
Expenditure on:					
Raising funds	5	204	1	-	205
<i>Charitable activities:</i>					
Academy trust educational operations	6	372	9,186	352	9,910
Total		576	9,187	352	10,115
Net income/(expenditure)		157	(388)	729	498
Transfers between funds		-	31	(31)	-
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes	20	-	4,391	-	4,391
Net movement in funds		157	4,034	698	4,889
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2021		656	(5,722)	15,341	10,275
Total funds/(deficit) carried forward at 31 August 2022		813	(1,688)	16,039	15,164

Highcliffe School

(Registration number: 07631213)
Balance Sheet as at 31 October 2022

	Note	31 October 2022 £ 000	31 August 2022 £ 000
Fixed assets			
Tangible assets	10	16,683	16,376
Current assets			
Debtors	11	411	313
Cash at bank and in hand		<u>443</u>	<u>705</u>
		854	1,018
Creditors: Amounts falling due within one year	12	<u>(837)</u>	<u>(701)</u>
Net current assets		<u>17</u>	<u>317</u>
Total assets less current liabilities		<u>16,700</u>	<u>16,693</u>
Net assets excluding pension liability		16,700	16,693
Defined benefit pension scheme liability	20	<u>(845)</u>	<u>(1,529)</u>
Total net assets		<u>15,855</u>	<u>15,164</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(94)	(159)
Restricted fixed asset fund		15,979	16,039
Restricted pension fund		<u>(845)</u>	<u>(1,529)</u>
		<u>15,040</u>	<u>14,351</u>
Unrestricted funds			
Unrestricted general fund		727	725
Unrestricted designated fund		<u>88</u>	<u>88</u>
		<u>815</u>	<u>813</u>
Total funds		<u>15,855</u>	<u>15,164</u>

The financial statements on pages 21 to 46 were approved by the Governors and authorised for issue on 24/2/23 and are signed on their behalf by:


Mr P A Hilliard
Governor

Highcliffe School

Statement of Cash Flows for the period from 01 September 2022 to 31 October 2022

	Note	31 October 2022 £ 000	31 August 2022 £ 000
Cash flows from operating activities			
Net cash provided by operating activities	16	106	281
Cash flows from investing activities	17	<u>(368)</u>	<u>(307)</u>
Change in cash and cash equivalents in the period		(262)	(26)
Cash and cash equivalents at 1 September		<u>705</u>	<u>731</u>
Cash and cash equivalents at 31 October	18	<u><u>443</u></u>	<u><u>705</u></u>

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022

1 Accounting policies

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

Going concern

Working in conjunction with the ESFA and the RSC the senior Leadership Team and Governors identified the HISP Multi Academy Trust as a prospective partner and it was agreed that Highcliffe School would join the MAT on 1 November 2022.

The transfer to the new MAT means that the academy's operations are transferred and the academy will continue in the HISP Academy Trust. The company itself continues to exist separately but due to the transfer of the operations of the company, it is not a going concern.

As the academy has now transitioned into the MAT the Governors have prepared these accounts on the basis other than going concern. The academy has disclosed any material adjustments required as a result of ceasing to apply the going concern basis and measured assets, liabilities and pension deficit at their recoverable or settlement amounts. The assets, liabilities, pension deficit and operations of the academy are transferred at nil consideration. Full details can be found on the Governors report covering going concern.

Income

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

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

1 Accounting policies (continued)

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Concessionary loans

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

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

1 Accounting policies (continued)

Taxation

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

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

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 October 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

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

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

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

2 Donations and capital grants

	Unrestricted funds £ 000	October 2022 Total £ 000	August 2022 Total £ 000
Capital grants	-	-	1,081
Other donations	1	1	99
	<u>1</u>	<u>1</u>	<u>1,180</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total October 2022 £ 000	Total August 2022 £ 000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	1,405	1,405	8,152
Other ESFA grants	-	28	28	217
Pupil Premium	-	31	31	175
	<u>-</u>	<u>1,464</u>	<u>1,464</u>	<u>8,544</u>
Other government grants				
Local Authority grants	-	11	11	126
Non-government grants and other income				
Catering Income	43	-	43	373
Trip Income	-	36	36	129
	<u>43</u>	<u>36</u>	<u>79</u>	<u>502</u>
Total grants	<u>43</u>	<u>1,511</u>	<u>1,554</u>	<u>9,172</u>

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

4 Other trading activities

	Unrestricted funds £ 000	October 2022 Total £ 000	August 2022 Total £ 000
Minibus income	39	39	144
Music income	13	13	34
Sales of educational services	-	-	14
Hire of facilities	-	-	7
Sale of educational supplies	10	10	9
Other generating funds income	1	1	53
	<u>63</u>	<u>63</u>	<u>261</u>

The income from other trading activities was £63,466 (2022: £261,008) which was allocated between the funds as follows; £63,466 unrestricted funds (2022: £261,008), £Nil restricted funds (2022: £Nil), £Nil restricted fixed asset funds (2022: £Nil) and £Nil endowment funds (2022: £Nil).

5 Expenditure

	Non Pay Expenditure			October 2022 Total £ 000	August 2022 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds					
Direct costs	20	-	42	62	205
Academy's educational operations					
Direct costs	1,004	60	78	1,142	7,150
Allocated support costs	<u>170</u>	<u>134</u>	<u>112</u>	<u>416</u>	<u>2,760</u>
	<u>1,194</u>	<u>194</u>	<u>232</u>	<u>1,620</u>	<u>10,115</u>

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

5 Expenditure (continued)

Net income/(expenditure) for the period includes:

	October 2022 £ 000	August 2022 £ 000
Operating leases - other leases	70	80
Fees payable to auditor - audit	10	10
- other audit services	2	2
Depreciation	60	352

6 Charitable activities

	Total October 2022 £ 000	Total August 2022 £ 000
Direct costs - educational operations	1,142	7,150
Support costs - educational operations	416	2,760
	1,558	9,910

	Educational operations £ 000	Total October 2022 £ 000	Total August 2022 £ 000
Analysis of support costs			
Support staff costs	170	170	1,241
Technology costs	10	10	141
Premises costs	134	134	706
Other support costs	96	96	634
Governance costs	6	6	38
Total support costs	416	416	2,760

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

7 Staff

Staff costs

	October 2022 £ 000	August 2022 £ 000
Staff costs during the period were:		
Wages and salaries	886	5,255
Social security costs	89	498
Pension costs	202	1,723
	<u>1,177</u>	<u>7,476</u>
Supply teacher costs	17	108
	<u>1,194</u>	<u>7,584</u>

Staff numbers

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

	October 2022 No	August 2022 No
Charitable Activities		
Teachers	100	102
Administration and support	83	89
Management	8	8
	<u>191</u>	<u>199</u>

Higher paid staff

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

	31 October 2022 No	31 August 2022 No
£60,001 - £70,000	-	2
£70,001 - £80,000	-	1
£110,001 - £120,000	-	1
	<u>-</u>	<u>1</u>

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

7 Staff (continued)

Key management personnel

The key management personnel of the Academy Trust comprise the Governors and Headteacher as listed on page 1 and 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £49,707 (2022: £268,874).

8 Related party transactions - Trustees' remuneration and expenses

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

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

Mr P D Earnshaw (Headteacher):

Remuneration: £20,000 - £25,000 (2022 - £115,000 - £120,000)

Employer's pension contributions: £5,000 - £10,000 (2022 - £25,000 - £30,000)

Ms E-K A Rickard (Staff governor):

Remuneration: £0 - £5,000 (2022 - £20,000 - £25,000)

Employer's pension contributions: £0 - £5,000 (2022 - £0 - £5,000)

Mr G West (Staff governor):

Remuneration: £5,000 - £10,000 (2022 - £30,000 - £35,000)

Employer's pension contributions: £0 - £5,000 (2022 - £5,000 - £10,000)

Ms J Bascombe (Staff governor):

Remuneration: £5,000 - £10,000 (2022 - £40,000 - £45,000)

Employer's pension contributions: £0 - £5,000 (2022 - £10,000 - £15,000)

Other related party transactions involving the Governors are set out in note 21.

9 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 October 2022 was £270 (2022- £270).

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

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

10 Tangible fixed assets

	Freehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Motor vehicles £ 000	October 2022 Total £ 000
Cost					
At 1 September 2022	19,878	49	139	66	20,132
Additions	<u>368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368</u>
At 31 October 2022	<u>20,246</u>	<u>49</u>	<u>139</u>	<u>66</u>	<u>20,500</u>
Depreciation					
At 1 September 2022	3,502	49	139	66	3,756
Charge for the year	<u>61</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61</u>
At 31 October 2022	<u>3,563</u>	<u>49</u>	<u>139</u>	<u>66</u>	<u>3,817</u>
Net book value					
At 31 October 2022	<u>16,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,683</u>
At 31 August 2022	<u>16,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,376</u>

11 Debtors

	31 October 2022 £ 000	31 August 2022 £ 000
Trade debtors	1	3
Prepayments	110	93
VAT recoverable	298	217
Other debtors	<u>2</u>	<u>-</u>
	<u>411</u>	<u>313</u>

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

12 Creditors: amounts falling due within one year

	31 October 2022 £ 000	31 August 2022 £ 000
Trade creditors	-	109
Other taxation and social security	132	122
Other creditors	39	71
Pension scheme creditor	132	127
Accruals and deferred income	534	272
	<u>837</u>	<u>701</u>
	31 October 2022 £ 000	31 August 2022 £ 000
Deferred income		
Deferred income at 1 September 2022	178	194
Resources deferred in the period	191	178
Amounts released from previous periods	<u>(178)</u>	<u>(194)</u>
Deferred income at 31 October 2022	<u>191</u>	<u>178</u>

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

Included in other creditors is a loan of £nil (2022 - £9,000) from Salix. The loan is interest free with repayments every six months, the final repayment was September 2022.

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

13 Funds

	Balance at 1 September 2022 £ 000	Income £ 000	Expenditure £ 000	Gains, losses and transfers £ 000	Balance at 31 October 2022 £ 000
Restricted general funds					
General Annual Grant (GAG)	(177)	1,405	(1,347)	-	(119)
Pupil Premium	-	31	(31)	-	-
Other DfE grants	18	28	(21)	-	25
LEA and other grants	-	11	(11)	-	-
Trips	-	36	(36)	-	-
	<u>(159)</u>	<u>1,511</u>	<u>(1,446)</u>	<u>-</u>	<u>(94)</u>
Restricted fixed asset funds					
Donation from Local Authority	15,009	-	(47)	-	14,962
DfE capital funding	19	-	-	-	19
Other donations	14	-	-	-	14
Capital expenditure from GAG	16	-	-	-	16
CIF grant	981	-	(13)	-	968
	<u>16,039</u>	<u>-</u>	<u>(60)</u>	<u>-</u>	<u>15,979</u>
Restricted pension funds					
Pension reserve	<u>(1,529)</u>	<u>-</u>	<u>(9)</u>	<u>693</u>	<u>(845)</u>
Total restricted funds	<u>14,351</u>	<u>1,511</u>	<u>(1,515)</u>	<u>693</u>	<u>15,040</u>
Unrestricted funds					
Unrestricted general funds	725	107	(105)	-	727
Unrestricted designated funds	88	-	-	-	88
Total unrestricted funds	<u>813</u>	<u>107</u>	<u>(105)</u>	<u>-</u>	<u>815</u>
Total funds	<u>15,164</u>	<u>1,618</u>	<u>(1,620)</u>	<u>693</u>	<u>15,855</u>

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

13 Funds (continued)

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

	Balance at 1 September 2021 £ 000	Income £ 000	Expenditure £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2022 £ 000
Restricted general funds					
General Annual Grant (GAG)	(409)	8,152	(7,951)	31	(177)
Pupil Premium	18	175	(193)	-	-
Other DfE grants	18	217	(217)	-	18
LEA and other grants	-	126	(126)	-	-
Trips	-	129	(129)	-	-
Other DfE/ESFA Covid-19 funding	1	-	(1)	-	-
	<u>(372)</u>	<u>8,799</u>	<u>(8,617)</u>	<u>31</u>	<u>(159)</u>
Restricted fixed asset funds					
Donation from Local Authority	15,289	-	(280)	-	15,009
DfE capital funding	20	31	(1)	(31)	19
Other donations	15	-	(1)	-	14
Capital expenditure from GAG	17	-	(1)	-	16
CIF grant	-	1,050	(69)	-	981
	<u>15,341</u>	<u>1,081</u>	<u>(352)</u>	<u>(31)</u>	<u>16,039</u>
Restricted pension funds					
Pension reserve	<u>(5,350)</u>	<u>-</u>	<u>(570)</u>	<u>4,391</u>	<u>(1,529)</u>
Total restricted funds	<u>9,619</u>	<u>9,880</u>	<u>(9,539)</u>	<u>4,391</u>	<u>14,351</u>
Unrestricted funds					
Unrestricted general funds	656	645	(576)	-	725
Unrestricted designated funds	-	88	-	-	88
Total unrestricted funds	<u>656</u>	<u>733</u>	<u>(576)</u>	<u>-</u>	<u>813</u>
Total funds	<u>10,275</u>	<u>10,613</u>	<u>(10,115)</u>	<u>4,391</u>	<u>15,164</u>

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

13 Funds (continued)

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

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

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

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

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

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

Other DfE grants - Other specific grants from the DfE including grants for bursary funding.

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

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

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

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

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

14 Analysis of net assets between funds

Fund balances at 31 October 2022 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	16,683	16,683
Current assets	815	743	(704)	854
Current liabilities	-	(837)	-	(837)
Pension scheme liability	-	(845)	-	(845)
Total net assets	815	(939)	15,979	15,855

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	16,376	16,376
Current assets	813	542	(337)	1,018
Current liabilities	-	(701)	-	(701)
Pension scheme liability	-	(1,529)	-	(1,529)
Total net assets	813	(1,688)	16,039	15,164

15 Financial commitments

Operating leases

At 31 October 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	31 October 2022 £ 000	31 August 2022 £ 000
Amounts due within one year	78	139

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

16 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	October 2022 £ 000	August 2022 £ 000
Net (expenditure)/income	(2)	498
Depreciation	61	352
Capital grants from DfE and other capital income	-	(1,081)
Defined benefit pension scheme cost less contributions payable	(2)	481
Defined benefit pension scheme finance cost	11	90
Increase in debtors	(98)	(111)
Increase in creditors	136	52
Net cash provided by Operating Activities	106	281

17 Cash flows from investing activities

	October 2022 £ 000	August 2022 £ 000
Purchase of tangible fixed assets	(368)	(1,388)
Capital grants from DfE Group	-	1,081
Net cash used in investing activities	(368)	(307)

18 Analysis of cash and cash equivalents

	31 October 2022 £ 000	31 August 2022 £ 000
Cash in hand and at bank	443	705
Total cash and cash equivalents	443	705

19 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.

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

20 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £(131,945) (2022 - £(126,795)) were payable to the schemes at 31 August 2022 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

20 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £152,594 (2022: £891,876).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 October 2022 was £51,000 (2022 - £336,000), of which employer's contributions totalled £40,000 (2022 - £262,000) and employees' contributions totalled £11,000 (2022 - £74,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Principal actuarial assumptions

	31 October 2022 %	31 August 2022 %
Rate of increase in salaries	3.75	3.95
Rate of increase for pensions in payment/inflation	2.75	2.95
Discount rate for scheme liabilities	4.75	4.25
Inflation assumptions (CPI)	<u>2.75</u>	<u>2.95</u>

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

	31 October 2022	31 August 2022
Retiring today		
Males retiring today	22.10	22.10
Females retiring today	24.20	24.20
Retiring in 20 years		
Males retiring in 20 years	23.40	23.40
Females retiring in 20 years	<u>25.60</u>	<u>25.60</u>

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

20 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 October 2022 £000	At 31 August 2022 £000
Discount rate +0.1%	4,540	5,316
Discount rate -0.1%	4,758	5,573
Mortality assumption – 1 year increase	4,783	5,616
Mortality assumption – 1 year decrease	4,517	5,275
CPI rate +0.1%	4,755	5,568
CPI rate -0.1%	4,544	5,321
Salary rate +0.1%	4,654	5,450
Salary rate -0.1%	<u>4,642</u>	<u>5,436</u>

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

	31 October 2022 £ 000	31 August 2022 £ 000
Equities	2,073	2,111
Gilts	385	428
Other bonds	170	180
Property	391	404
Cash and other liquid assets	49	60
Other	<u>735</u>	<u>731</u>
Total market value of assets	<u>3,803</u>	<u>3,914</u>

The actual return on scheme assets was (£141,000) (2022 - (£158,000)).

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

20 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	October 2022 £ 000	August 2022 £ 000
Current service cost	38	743
Interest income	(27)	(65)
Interest cost	38	151
Admin expenses	-	3
Total amount recognised in the SOFA	<u>49</u>	<u>832</u>

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

	October 2022 £ 000	August 2022 £ 000
At start of period	5,443	9,170
Current service cost	38	743
Interest cost	38	151
Employee contributions	11	74
Actuarial (gain)/loss	(867)	(4,619)
Benefits paid	<u>(15)</u>	<u>(76)</u>
At 31 October	<u>4,648</u>	<u>5,443</u>

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

	October 2022 £ 000	August 2022 £ 000
At start of period	3,914	3,820
Interest income	27	62
Actuarial gain/(loss)	(174)	(228)
Employer contributions	40	262
Employee contributions	11	74
Benefits paid	<u>(15)</u>	<u>(76)</u>
At 31 October	<u>3,803</u>	<u>3,914</u>

21 Related party transactions

There were no related party transactions in the period, other than certain trustees' remuneration and expenses already disclosed in note 8.

Highcliffe School

Notes to the Financial Statements for the Period from 1 September 2022 to 31 October 2022 (continued)

22 Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 October 2022 £000
Cash	705	(262)	443
Loans falling due within one year	(9)	9	-
Total	<u>696</u>	<u>(253)</u>	<u>443</u>