

Company registration number: 07398941 (England & Wales)

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

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**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
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**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
REFERENCE AND ADMINISTRATIVE DETAILS**

Governors

Mr A Beglin
Miss K Braine
Ms D Child
Mr G Dixon
Mr C Fairbairn
Miss J Fry
Mrs E Guy
Mr S Harcourt
Mr T Kemp
Ms S Kitson
Mr P Mainprize
Ms D Mander
Mr T Royle
Mr J Taylor
Mr D White
Mr S Woodfull

Secretary

Mrs L Gentle

Registered Office

Highdown School and Sixth Form Centre
Surley Row
Emmer Green
Reading
RG4 8LR

Company Registration Number

07398941

Auditors

Crowe Clark Whitehill LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
REPORT OF THE DIRECTORS
FOR THE PERIOD ENDED 31 AUGUST 2011**

The Directors present their first annual report together with the financial statements of the charitable company for the period ended 31st August 2011. The company was incorporated on 6th October 2010. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies on pages 13 to 15 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

Members Liability

Every member of the charitable company (who are not necessarily Governors) undertakes to contribute such amount as may be required (such amount not exceeding £10) 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, for the payment of the Trusts debts and liabilities before he or she ceases to be a member and of the costs charges and expenses of winding up and for the adjustment of the rights of contributories amongst themselves.

Directors

The Directors are directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the charity legislation.

On 1st November 2010, all Directors also became Governors of the Academy. The term of office for any Governor shall be 4 years, including the Headteacher and Ex-Officio Governors. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected.

The Directors who were in office at 6th October 2010 and served throughout the period, except where shown, are listed below.

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

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors, Executives and specific responsibilities

Local Council representative	Vacant	(C/F)*
Parent governors	Ms D Child	(C)
	Mr G Dixon	(F)
	Mr C Fairbairn	(C/F)
	Mr T Kemp	(F)
	Ms S Kitson	(C)
	Mr P Mainprize	(F)
	Mr J Taylor	(C/F)
	Mr S Woodhull	(C/F)
Staff governors	Miss J Fry	(C)
	Miss K Braine	(F)
	Alex Beglin	
Headteacher	Mr T Royle	(C/F)
Community governors	Mr S Harcourt	(F)
	Mr D White	(C)
Partnership governors	Mrs E Guy	(C)
	Ms D Mander	(F)
Clerk to the governors	Mrs L Gentle	
CHAIR	Mr C Fairbairn	
VICE CHAIR	Mr P Mainprize	

COMMITTEE CHAIRS & OTHER ROLES

*Curriculum (C)	Chair Mr D White
*Finance, Staffing & Premises (F)	Chair Mr S Harcourt
Responsible Officer	Mr P Mainprize

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

Responsibilities of the Directors

The Directors (who act as Trustees for the charitable activities of the academy and also Governors) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

Under company law the Directors 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 the surplus or deficit of the charitable company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Directors are responsible for ensuring that adequate accounting records are maintained 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 ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Organisational Structure

The Academy has a management structure of Directors (Governing body) and a Senior Leadership Team led by the Headteacher

The Directors are responsible for appointing the Headteacher, making major strategic decisions, setting general policy and adopting an annual budget

The Headteacher is responsible for the day to day running of the Academy

Risk Management

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

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

Statement on the system of internal financial controls

As Directors, we acknowledge that we have overall responsibility for ensuring that the Academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of The Academy. This enables us to ensure that the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities as well as provide reasonable assurance that -

- 1 The Academy is operating efficiently and effectively,
- 2 The assets of the Academy are safeguarded against unauthorised use or disposition,
- 3 The proper records are maintained and financial information used within the Academy or for publication is reliable,
- 4 The Academy complies with relevant laws and regulations

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

- 1 Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body on a regular basis,
- 2 Regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- 3 Setting targets to measure financial and other performance,
- 4 Clearly defining purchasing (asset purchase or capital investment) guidelines,
- 5 Identification and management of risks

The Directors have implemented a number of systems to assess risk including operational areas, (e.g. in relation to teaching, health and safety, bullying and school trips) and the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls as set out above.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The principle object and activity of the charitable company is to establish and maintain an independent State school to be known as Highdown School and Sixth Form Centre whose curriculum has an emphasis on mathematics and computing and, additionally, fulfils the role of Training School.

The characteristics of an Academy are a school that

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

The objectives of the Academy are

- To promote the well-being of students at the Academy
- To promote community cohesion

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

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

The Academy opened as an academy on 1 November 2010.

Equal Opportunities Policy

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy promotes equal opportunities in all areas of its activities including the creation of a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the new Academy building. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by making reasonable adaptations to the physical environment, by making support resources available and through training and career development.

ACHIEVEMENTS AND PERFORMANCE

FINANCIAL REVIEW

Financial report for the period

During the period The Academy received income of £6.7m from the YPLA in respect of the general annual grant and specific grants.

As a direct result of converting to Academy status the Academy has been able to refurbish the catering facilities, lay a Multi Use Games Area and construct a new entrance for staff and students to the school.

We introduced an innovative bursary for our feeder primary schools to boost levels of attainment in numeracy and literacy skills for year 6 students prior to entering into secondary education.

Reserves Policy

The directors have plans to agree a formal reserves policy during the year ended 31 August 2012. At the current time, the level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. This applies particularly to the funds earmarked for future capital projects. The level of reserves will be kept under review by the directors.

In respect of any surplus or deficit recognised in relation to the Academy's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Academy in the form of an increase or decrease in employer's pension contributions over a number of years. This year a deficit of £584,000 has been recognised as a liability in the accounts, this does not represent an immediately repayable debt.

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

Financial Position

The Academy held fund balances at 31 August 2011 of £19,938,234 comprising £695,780 (deficit) of restricted general funds, £20,512,681 of restricted fixed asset funds, and £121,333 of unrestricted funds

The net deficit position on the restricted general funds is principally as a result of including the Academy's share of the Local Government Pension scheme deficit

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies

Public Benefit

The Academy exists for the educational benefit of those students in the community of Emmer Green and Caversham to the north of Reading. The Academy promotes community cohesion at four levels. These are (1) The Academy community, (2) The Local Community, (3) The United Kingdom Community and (4) the Global Community. The Academy is designated as a National Support School, providing focused support to schools experiencing difficulties, for example being placed in an OFSTED category. The Academy is also a National College host school for UK trainee headteachers and works with a range of external providers to hold visits and short residencies for headteachers, school inspectors and other educationalists from other countries, recently for example, China, Jamaica, Saudi Arabia, Malaysia and Abu Dhabi.

The campus incorporates a vocational education centre for key stage 4 students at York House, Caversham,

The Directors, acting as Trustees, confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the guidance issued by the Charity Commission on public benefit.

PLANS FOR FUTURE PERIODS

The Academy's Vision is to continue to be a creative, dynamic and exciting school where children value learning supported by a highly motivated, committed team of staff and fuelled by accommodation, resources and opportunities that fully meet their needs, dreams and aspirations. Future plans, which include provision of a specialist sixth form centre, a sports hall and additional classrooms are driven by this.

DISCLOSURE OF INFORMATION TO AUDITORS

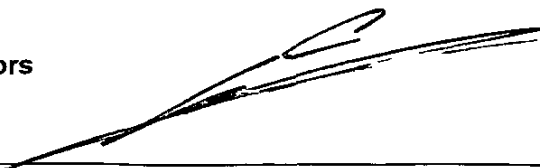
The Directors who held office at the date of approval of this Directors' report confirm that so far as they are aware, there is no relevant audit information of which the Academy's auditors are unaware, and each director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The appointment of the current auditors, Crowe Clark Whitehill LLP, will be continued in accordance with Section 487(2) of the Companies Act 2006.

The report of the Directors was approved by the Directors on 13/12/11 and signed for on their behalf by

Mr C Fairbairn
Chair of Directors



**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF HIGHDOWN SCHOOL AND SIXTH FORM CENTRE**

We have audited the financial statements of Highdown School and Sixth Form Centre for the period ended 31 August 2011 as set out on pages 10 to 31

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction [2010/11] issued by the Young Peoples' Learning Agency

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' Report and identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF HIGHDOWN SCHOOL AND SIXTH FORM CENTRE**

Opinion on financial statements

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 2011 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, including the Annual Accounts Direction [2010/11] issued by the Young Peoples' Learning Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Young Peoples' Learning Agency/Department for Education

In our opinion the grants received from by the Young Peoples' Learning Agency/Department for Education have been applied for the intended purpose

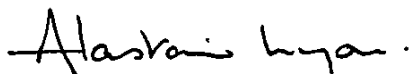
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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
- 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



Alastair Lyon (Senior Statutory Auditor)
For and on behalf of Crowe Clark Whitehill LLP
Chartered Accountants and Statutory Auditors
Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

Date 13 December 2011

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2011

(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Notes	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	2011 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	431,152	-	19,795,833	20,226,985
Activities for generating funds	4	487,788	-	-	487,788
Investment income	5	73	-	-	73
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	6	<u>-</u>	<u>6,672,727</u>	<u>60,233</u>	<u>6,732,960</u>
Total incoming resources		<u>919,013</u>	<u>6,672,727</u>	<u>19,856,066</u>	<u>27,447,806</u>
Resources expended					
<i>Cost of generating funds</i>					
Fundraising activity	7	199,278	-	-	199,278
<i>Charitable activities</i>					
Academy's educational objectives	7	-	6,326,411	440,733	6,767,144
Governance costs	7	<u>-</u>	<u>11,150</u>	<u>-</u>	<u>11,150</u>
Total resources expended		<u>199,278</u>	<u>6,337,561</u>	<u>440,733</u>	<u>6,977,572</u>
Net incoming resources before transfers					
Gross transfers between funds	18	719,735	335,166	19,415,333	20,470,234
		<u>(598,402)</u>	<u>(498,946)</u>	<u>1,097,348</u>	<u>-</u>
Net incoming/(outgoing) resources before other recognised gains and losses		<u>121,333</u>	<u>(163,780)</u>	<u>20,512,681</u>	<u>20,470,234</u>
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	25	<u>-</u>	<u>(532,000)</u>	<u>-</u>	<u>(532,000)</u>
Net movement in funds		<u>121,333</u>	<u>(695,780)</u>	<u>20,512,681</u>	<u>19,938,234</u>
Funds carried forward at 31 August 2011		<u>121,333</u>	<u>(695,780)</u>	<u>20,512,681</u>	<u>19,938,234</u>

All the Academy's activities are derived from continuing operations during the above financial period

A Statement of Total recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activity

The notes on pages 13 – 31 form part of these financial statements

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
BALANCE SHEET
31 AUGUST 2011**

COMPANY NUMBER 07398941

	Note	2011 £
Fixed assets		
Tangible assets	14	<u>21,212,681</u>
 Current assets		
Debtors	15	277,989
Cash at bank and in hand		<u>772,810</u>
		1,050,799
 Current liabilities		
CREDITORS: amounts falling due within one year	16	<u>(1,091,246)</u>
Net current assets		(40,447)
Total assets less current liabilities		21,172,234
 CREDITORS: amounts falling in more than one year	17	<u>(650,000)</u>
Net assets excluding pension liability		20,522,234
Pension scheme liability	25	<u>(584,000)</u>
Net assets including pension liability		<u>19,938,234</u>
 Restricted funds		
General fund		(163,780)
Fixed asset fund		20,512,681
Pension reserve		<u>(532,000)</u>
Total restricted funds		19,816,901
 Unrestricted funds		<u>121,333</u>
Total funds	18	<u>19,938,234</u>

The financial statements on pages 19 to 31 were approved by the Governors and authorised for issue on *13-12-11* and are signed on their behalf by


Chair of Governors
MR C FAIRBAIRN

The notes on pages 13 – 31 form part of these financial statements

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2011**

	Note	2011 £	
Net cashflow from operating activities	23	2,570,085	
Returns on investment and servicing of finance		73	
Capital expenditure	24	(1,797,348)	
Increase in cash in the period		<u>772,810</u>	
Reconciliation of net cash flow to movement in net funds			
Net funds at 6 October 2010		-	
Net funds at 31 August 2011		<u>772,810</u>	
Analysis of changes in net funds			
	<i>At 6 October 2010</i>	Cash Flow	At 31 August 2011
Cash in hand and at bank	-	<u>772,810</u>	<u>772,810</u>

The notes on pages 13 – 31 form part of these financial statements

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the YPLA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with certainty.

Grants Receivable

Grants receivable 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.

Sponsorship Income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Other income

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

Interest receivable is included within the statement of financial activities on a receivable basis.

Donated Services and gifts in kind

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

In respect of buildings transferred to the Academy from its previous form as a Foundation School, the open market value of this has been included within voluntary income under the Restricted Fixed Asset Fund. The cost of the building is depreciated over 50 years.

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to a particular heading they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Governors.

Restricted funds comprise grants from the DFE and other donors which are to be used for specific purposes.

Endowment funds comprise voluntary income from the sponsorship body.

Tangible Fixed Assets

Assets costing £1,000 or more, which have been acquired since the Academy was established, 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 the 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 on a straight line basis over its expected useful lives, as follows:

Freehold Buildings	2%
Fixtures and fittings	20%
Computer equipment	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011**

Tangible Fixed Assets (continued)

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.

Leased assets

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

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.

Teachers' Pension Scheme

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Local Government Pension Scheme

The LGPS is a funded 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

2. GENERAL ANNUAL GRANT (GAG)

	2011 £
a. Result and carry forward for the period (pre-clawback)	
GAG brought forward from previous period	-
GAG allocation for the current period	<u>6,200,767</u>
Total GAG available to spend	6,200,767
Recurrent expenditure from GAG	(5,425,087)
Fixed Assets purchased from GAG	<u>(498,946)</u>
GAG carried forward to next year	276,734
 Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	 <u>(750,848)</u>
GAG to surrender to YPLA	<u>(474,114)</u>
(12% rule breached if result is positive)	(no breach)

	2011 £
b. Use of GAG brought forward from previous year for recurrent purposes	
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)	
Recurrent expenditure from GAG in current period	5,425,087
GAG allocation for current period	(6,200,767)
GAG allocation for previous year x 2%	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current period	<u>(775,680)</u>
(2% rule breached if result is positive)	(no breach)

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

3. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
In Kind Support - transfer of land and buildings	-	19,795,833	19,795,833
Other donations	<u>431,152</u>	<u>-</u>	<u>431,152</u>
	<u><u>431,152</u></u>	<u><u>19,795,833</u></u>	<u><u>20,226,985</u></u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Lettings	24,305	-	24,305
Facilities and Services	167,177	-	167,177
Private funds	<u>296,306</u>	<u>-</u>	<u>296,306</u>
	<u><u>487,788</u></u>	<u><u>-</u></u>	<u><u>487,788</u></u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total £
Bank interest	<u>73</u>	<u>-</u>	<u>73</u>

6. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total £
DfE/YPLA capital grant			
Academy main building grants	<u>-</u>	<u>60,233</u>	<u>60,233</u>
DfE / YPLA revenue grants			
General Annual Grant (GAG)	-	6,200,767	6,200,767
Start Up Grants	-	-	-
Other DfE / YPLA grants	<u>-</u>	<u>128,136</u>	<u>128,136</u>
Other Government grants			
School Standards Funds	-	260,253	260,253
Special educational projects	<u>-</u>	<u>83,571</u>	<u>83,571</u>
	<u><u>-</u></u>	<u><u>6,732,960</u></u>	<u><u>6,732,960</u></u>

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

7. RESOURCES EXPENDED

	Staff costs £	Premises £	Other costs £	2011 Total £
Costs of activities for generating funds	-	-	199,278	199,278
Academy's educational operations				
Direct costs	4,143,490	440,733	688,726	5,272,949
Allocated support costs	394,581	643,598	456,016	1,494,195
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>11,150</u>	<u>11,150</u>
	<u>4,538,071</u>	<u>1,084,331</u>	<u>1,355,170</u>	<u>6,977,572</u>

The method used for the apportionment of support costs is disclosed in the accounting policies (note 1)

8. SURPLUS FOR THE PERIOD

Surplus for the period is stated after charging -

	2011 £
Auditor's remuneration for audit services	11,150
Depreciation on tangible fixed assets	<u>440,733</u>

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

9 ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
<i>Direct costs</i>			
Teaching and educational support staff costs	-	4,143,490	4,143,490
Depreciation	-	440,733	440,733
Educational supplies	-	470,033	470,033
Examination fees	-	105,373	105,373
Staff development	-	105,492	105,492
Educational consultancy	-	-	-
Other direct costs	-	<u>7,828</u>	<u>7,828</u>
	-	<u>5,272,949</u>	<u>5,272,949</u>
<i>Allocated support costs</i>			
Support staff costs	-	394,581	394,581
Recruitment and support	-	24,298	24,298
Maintenance of premises and equipment	-	556,235	556,235
Cleaning	-	7,960	7,960
Rent & rates	-	31,925	31,925
Insurance	-	44,578	44,578
Security and transport	-	32,123	32,123
Catering	-	110,092	110,092
Bank interest and charges	-	1,492	1,492
Other support costs	-	<u>290,911</u>	<u>290,911</u>
	-	<u>1,494,195</u>	<u>1,494,195</u>
	-	<u><u>6,767,144</u></u>	<u><u>6,767,144</u></u>

HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE PERIOD ENDED 31 AUGUST 2011

10. STAFF COSTS

	2011 £
Staff costs during the period were	
Wages and salaries	3,738,857
Social security costs	282,081
Pension costs	<u>517,133</u>
	<u>4,538,071</u>

	2011 No. (FTE)
Charitable Activities	
Teachers	83
Administration and support	45
Management	<u>10</u>

	2011 No.
The number of employees whose emoluments fell within the following bands was	
£60,001 - £70,000	1
£70,001 - £80,000	1
£120,001 - £130,000	<u>1</u>

11. GOVERNANCE COSTS

	2011 £
Audit fees	<u>11,150</u>

12. GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of the Principal's remuneration was £125,171 in 2011. The value of staff governors' remuneration was £102,252.

During the period ended 31 August 2011, no governors received reimbursement for travel and subsistence expenses.

Related party transactions involving the trustees are set out in note 26.

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2011 was £1,033

The cost of insurance is included in total insurance costs

14. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 6 October 2010	-	-	-	-
Additions	21,447,584	99,244	106,586	21,653,414
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2011	<u>21,447,584</u>	<u>99,244</u>	<u>106,586</u>	<u>21,653,414</u>
Depreciation				
At 6 October 2010	-	-	-	-
Charged in period	409,862	9,553	21,318	440,733
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2011	<u>409,862</u>	<u>9,553</u>	<u>21,318</u>	<u>440,733</u>
Net book values				
At 31 August 2011	<u>21,037,722</u>	<u>89,691</u>	<u>85,268</u>	<u>21,212,681</u>
At 6 October 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Included within Freehold Land and Buildings is recognition of the value of the land and buildings transferred to the Academy from its predecessor form as a Foundation School. The value recognised is in accordance with a formal valuation that took place part way through the year, totalling £20,495,833. In addition to this are improvements to land and buildings that have taken place after the date of the valuation, totalling £951,751. The site is being depreciated straight line over a period of 50 years.

15. DEBTORS

	2011
	£
Trade debtors	15,641
VAT due from YPLA	249,363
Other debtors	<u>12,985</u>
	<u>277,989</u>

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

16 CREDITORS: amounts falling due within one year

	2011 £
Trade Creditors	466,326
Other taxation and social security	271,514
Accruals and deferred income	303,406
Local Authority loan (unsecured)	<u>50,000</u>
	<u>1,091,246</u>

17. CREDITORS: amounts falling due in more than one year

	2011 £
Local Authority loan (unsecured)	<u>650,000</u>

The Local Authority falling due in more than 1 year is repayable thus

	2011 £
In more than one year but less than two years Local Authority Loan	50,000
In more than two years but less than five years Local Authority Loan	150,000
After more than five years Local Authority Loan	<u>450,000</u>
	<u>650,000</u>

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

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

18. STATEMENT OF FUNDS

	Balance at 6 October 2010 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2011 £
Restricted general funds					
General Annual Grant (GAG)	-	6,200,767	(5,865,601)	(498,946)	(163,780)
Other DfE/YPLA grants	-	471,960	(471,960)	-	-
Pension reserve	-	-	-	(532,000)	(532,000)
At 31 August 2011	<u>-</u>	<u>6,672,727</u>	<u>(6,337,561)</u>	<u>(1,030,946)</u>	<u>(695,780)</u>
Restricted fixed asset funds					
DfE/YPLA capital grants	-	60,233	-	-	60,233
Capital expenditure from GAG	-	-	-	498,946	498,946
Capital expenditure from unrestricted funds	-	-	-	598,402	598,402
In kind support - buildings	-	19,795,833	(440,733)	-	19,355,100
	<u>-</u>	<u>19,856,066</u>	<u>(440,733)</u>	<u>1,097,348</u>	<u>20,512,681</u>
Total restricted funds	<u>-</u>	<u>26,528,793</u>	<u>(6,778,294)</u>	<u>66,402</u>	<u>19,816,901</u>
Unrestricted funds					
General fund	-	919,013	(199,278)	(598,402)	121,333
Total unrestricted funds	<u>-</u>	<u>919,013</u>	<u>(199,278)</u>	<u>(598,402)</u>	<u>121,333</u>
Total funds	<u>-</u>	<u>27,447,806</u>	<u>(6,977,572)</u>	<u>(532,000)</u>	<u>19,938,234</u>

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

18. STATEMENT OF FUNDS (continued)

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

Restricted General Funds - The YPLA grants must be used to meet the cost of running Highdown School and Sixth Form Centre Any unexpended balance of these grants beyond the stipulated thresholds must be surrendered to the YPLA at 31 August 2011

Restricted Fixed Asset Funds - the transfer from the restricted general fund to the restricted fixed asset fund of £498,946 represents the total capital expenditure of £498,946 from the General Annual Grant (GAG) during the period The transfer from the unrestricted general fund to the restricted fixed asset fund of £598,402 represents the total capital expenditure of £598,402 from unrestricted income during the period

In respect of fixed assets, the difference of £700,000 between the value of fixed assets on the Balance Sheet and the value of the fixed asset fund in the Statement of Financial Activities is attributable to an agreement between the Academy and Reading Borough Council, in which the Academy must contribute £700,000 towards the value of the School Hall building This amount is repayable over 14 years at £50,000 per annum and has been included within creditors

Unrestricted Funds - represents income generated by the school (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	21,212,681	21,212,681
Current assets	121,333	929,466	-	1,050,799
Current liabilities	-	(1,041,246)	(50,000)	(1,091,246)
Long term liabilities	-	-	(650,000)	(650,000)
Pension scheme liability	-	(584,000)	-	(584,000)
Total net assets	<u>121,333</u>	<u>(695,780)</u>	<u>20,512,681</u>	<u>19,938,234</u>

20. CAPITAL COMMITMENTS

There are no capital commitments as at 31 August 2011

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

21. OPERATING LEASES

At 31 August 2011 the Academy had annual commitments under non-cancellable operating leases as follows

	2011 £
<u>Land and buildings</u>	
Expiring within one year	-
Expiring within two and five years inclusive	12,500
Expiring in over five years	-
	12,500
<u>Other</u>	
Expiring within one year	2,836
Expiring within two and five years inclusive	4,219
Expiring in over five years	1,311
	8,366

22. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Academy is required either to reinvest the proceeds or to repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to -

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

**23. RECONCILIATION OF NET INCOME TO NET CASH INFLOW
FROM OPERATING ACTIVITIES**

	2011 £
Net income	19,938,234
In kind support – transfer of land and buildings	(19,795,833)
Depreciation	440,733
Capital grants from DfE/YPLA	(60,233)
Interest receivable	(73)
Increase in debtors	(277,989)
Increase in creditors – School Hall Loan	700,000
Increase in creditors	<u>1,625,246</u>
	<u>2,570,085</u>

24. CAPITAL EXPENDITURE AND FINANCIAL STATEMENTS

	2011 £
Purchase of tangible fixed assets	(1,857,581)
Capital grants from DfE/YPLA	<u>60,233</u>
Net cash outflow from capital expenditure and financial investment	<u>(1,797,348)</u>

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2011**

25. PENSIONS AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Berkshire Pensions Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million

Proportion of members' accrued benefits covered by the notional value of the assets	98.88%
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Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent The employee rate was 6.4% for the same period

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme The Academy is unable to identify its share of the underlying assets and liabilities of the scheme

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2011**

25. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2011 was £117,507, of which employer's contributions totalled £84,535 and employees' contributions totalled £32,972. The agreed contribution rates for future years are 17.2 per cent for employers and from 5.5 to 7.2 per cent for employees depending on salary.

Principal actuarial assumptions

	At 31 August 2011
Rate of increase in salaries	4.65%
Rate of increase of pensions in payment / inflation	2.60%
Discount rate for scheme liabilities	5.40%
Expected return on scheme assets at 31 August	5.50%
Rate of increase of pensions in deferment	-
Proportion of employees opting for early retirement	-

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

	At 31 August 2011
Retiring today - males	22.7
Retiring today - females	25.4
Retiring in 20 years - males	24.8
Retiring in 20 years - females	27.4

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2011**

25. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The academy's share of the assets and liabilities in the scheme and the expected rates of Return were

	Expected return at 31 August 2011	Fair value at 31 August 2011 £'000
Equities	6.6%	177
Other bonds	5.4%	140
Property	4.6%	36
Cash	3.0%	21
Alternative assets	5.0%	145
Total market value of assets		<u>519</u>
Present value of scheme liabilities		
- Funded		<u>(1,103)</u>
Deficit in the scheme		<u>(584)</u>

The actual return on scheme assets was £7,000

The amounts included within the Statement of Financial Activities would be as follows

	2011 £'000
Current service cost	111
Past service gain	<u>-</u>
Total operating charge	<u>111</u>
Analysis of pension finance income / (costs)	
Expected return on scheme assets	(20)
Interest on pension liabilities	<u>45</u>
Pension finance income / (costs)	<u>136</u>

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2011**

25. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Movements in the present value of defined benefit obligations were as follows

	2011 £'000
At 6 October 2010	969
Current service cost	111
Interest cost	45
Employee contributions	33
Actuarial (gain)/loss	(69)
Benefits paid	14
Past Service cost	-
Curtailments and settlements	<u>-</u>
At 31 August 2011	<u>1,103</u>

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

	2011 £'000
At 6 October 2010	382
Expected return on assets	20
Actuarial gain/(loss)	(14)
Employer contributions	84
Employee contributions	33
Benefits paid	<u>14</u>
At 31 August 2011	<u>519</u>

**HIGHDOWN SCHOOL AND SIXTH FORM CENTRE
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2011**

25 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The estimated value of employer contributions for the period ended 31 August 2012 is £111,000

The history of experience adjustments is as follows

	2011 £'000
Present value of defined benefit obligations	1,109
Fair value of share of scheme assets	<u>519</u>
Deficit in the scheme	<u>584</u>
Experience adjustments on share of scheme assets:	
Amount £'000*	(14)
Experience adjustments on scheme liabilities:	
Amount £'000*	-

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of governors being linked to local public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of the board of governors may have an interest

For the period ended 31 August 2011, no related party transactions have taken place