



HASTINGS HIGH SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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HASTINGS HIGH SCHOOL

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

Members

Tim Lea (Chair)
Scott Millns (Vice Chair)
Michelle Bilby (Reappointed 27 June 2018)
Dave Hockton
Clive Kidd

Trustees

Kulwant Atkar (Resigned 6 November 2018)
Michelle Bilby (Reappointed 27 June 2018)
John Colledge (Appointed 25 April 2018)
Matt Conant
Brian Dalby
Nick Goforth (Headteacher)
Christine Hall (Appointed 5 September 2017)
Claire Hardman (Staff Trustee)
Louise Hill (Staff Trustee, resigned 12 October 2018)
Dave Hockton
Roisin Hopkins (Appointed 5 September 2017)
Louise Hunt (Resigned 6 November 2018)
Clive Kidd
Tim Lea (Chair)
Scott Millns (Vice Chair)
Mark Nickerson (Appointed 5 September 2017)
Rob Penny (Appointed 6 June 2018)
Ann Roberts (Staff Trustee)
Ben Worthy (Appointed 25 April 2018)

Senior Management Team

Nick Goforth (Headteacher)
Claire Bradley (Deputy Headteacher)
Steve Shipman (Deputy Headteacher)
Graeme Bonsor (Assistant Headteacher)
Claire Hardman (Assistant Headteacher)
Laura Woodward (Assistant Headteacher)
Nigel Parker (Assistant Headteacher) (Resigned 31 August 2018)
Peter Tilbury (Business Manager)
Harriet Pettingill (SLT Associate)
Katy Bonsor (SLT Associate)
Kevin Gregson (SLT Associate)
Pat Whitehurst (SLT Associate)

HASTINGS HIGH SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Company Name

Hastings High School

Principal and Registered Office

St Catherine's Close
Burbage
Hinckley
LE10 2QE

Company Registered Number

08617343 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

National Westminster Bank Plc
13 The Borough
Hinckley
Leicestershire
LE10 1NL

Solicitors

Howes Percival LLP
The Osiers Business Park
The Osiers Business Centre
Leicester
LE19 1DX

HASTINGS HIGH SCHOOL

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and Auditor's Reports of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operates an Academy for pupils aged 11 to 16 serving a catchment area in Burbage, Leicestershire. It has a pupil capacity of 850 and had a roll of 830 in the school census on 4 October 2018.

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 Trustees of Hastings High School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Hastings High School.

Details of the Trustees 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.

Trustees' Indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. The Academy purchases insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions whilst on school business.

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £743 (2017: £1,118).

Method of Recruitment and Appointment or Election of Trustees

The Academy currently has 18 Trustees including the Headteacher and is required to have a minimum of 3 and is not subject to a maximum. Parent Trustees are chosen by the Trustees to ensure the correct skills balance across the Governing Board and candidates must be parents at the time of their election. Staff Trustees are elected by staff at the Academy. Community Trustees must live or work in the community served by the Academy or are, in the opinion of the Governing Body, committed to the governance and success of the Academy. The Trustees may appoint up to three co-opted Trustees. All Trustees (except the Headteacher) are appointed for 4 years and may be re-elected or re-appointed.

Policies and Procedures Adopted for the Induction and Training of Trustees

All Trustees are provided with policies, procedures, minutes, budget plans and other documents which they need to fulfil their role. Any induction required is tailored specifically to the needs of the individual.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Structure

Organisational structure is set out in the terms of reference. These can be found in our Scheme of Delegation. The Trustees are responsible for setting general policy, adopting an annual plan and budget ensuring funding is spent in line with the funding agreement and working within any restrictions. Expenditure is monitored by reports to the Resources and Audit Committee and Full Governing Body. The Trustees make major decisions in relation to expenditure and capital. There are two main committees – Resourcing and Audit, and Pupil Outcomes.

The Senior Leadership Team 2017/18 comprised of the Headteacher, two Deputy Headteachers, three Assistant Headteachers, four Heads of Department and the Business Manager. The Senior Leadership Team manages the control of the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. The Headteacher is the Accounting Officer. Other leaders of the school include the Heads of Department and Support Staff Team Leaders and they are responsible for the authorisation of spending within agreed budgets. All limits on expenditure are set in the Financial Policy, the regulations also indicate when the Academy needs to obtain quotes or conduct a formal tender process.

Arrangements for setting pay and remuneration of Key Management Personnel

The remuneration of senior staff is governed by the school pay policy. Pay is reviewed annually by the Headteacher and any performance-related increases proposed are scrutinised by the Trustees.

The remuneration of the Headteacher is decided by a separate Headteacher's pay committee in consultation with an independent advisor. Any decisions made are then ratified by the Board of Trustees.

Trade union facility time

One employee was a relevant union official during the year 1 September 2017 to 31 August 2018. No time has been spent on facility time and therefore there were no cost implications to the Academy Trust.

Related Parties and other Connected Charities and Organisations

The Academy Trust continues to operate as a standalone Academy. There were no related party transactions that took place during the year that require disclosure within the financial statements, other than certain Trustees remuneration and expenses as disclosed in note 11.

HASTINGS HIGH SCHOOL

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy's objects are maintaining, managing and developing a school offering a broad and balanced curriculum. This includes providing facilities to the wider community for the public benefit.

Objectives, Strategies and Activities

The Academy promotes high academic standards supported by effective pastoral care and guidance ensuring students are well rounded and able to contribute to the community.

The essential purpose of the Academy is to enable students to fulfil their potential, not merely as separate personalities but also as contributory members of the community.

The Academy has the following aims and values:

- the creation of a social ethos that encourages a sense of security, mutual respect and tolerance for all;
- the provision of effective courses and learning experiences which provide the maximum opportunity for all;
- students to develop their academic, physical and other abilities, to achieve the best qualifications possible;
- to enable students to progress further in education and employment;
- the recruitment of high quality staff and a continuing investment in their training and development; and
- the maintenance of a safe and pleasant physical environment, which supports the learning and other activities of the school community.

The curriculum is reviewed annually to ensure it meets the needs of all its learners and ensures that the objects of the Academy are met. Staffing organisation within the Academy supports the Academy's objects with a focus on learning and teaching.

The Academy operates an equal opportunities policy, in line with the Equality Act 2010. The Academy can accommodate students or staff with disabilities.

Public Benefit

The Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and have complied with the duty bestowed on them. Facilities can be booked by the community.

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

STRATEGIC REPORT

Achievements and Performance

Key Performance Indicators

Financial performance is monitored monthly against budget and established expenditure profiles. The Academy is predicting an in-year surplus in 2018-19.

- Student achievement is the Academy's key performance indicator as this is the core purpose of the organisation.
- Student data is monitored as part of the Academy's performance.
- Financial performance is monitored monthly against budget and established expenditure profiles.
- All staff undertake performance management.

The Academy's pupils achieve exceptionally high results at the end of KS4. Results are well above national averages in many subject areas and demonstrate the continuing high standards which are being achieved by all pupils. Results for 2018 show that 78% of pupils achieve Grade 4-9 (old A* - C) in both English and Mathematics, 86% A* - Cs in English and 87% A* - Cs in Mathematics.

Going Concern

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

FINANCIAL REVIEW

The Academy has a risk register which highlights potential risks. Along with the risk being identified, controls are put in place to minimise the risk and any on-going treatment or action is identified. The risk plan is reviewed annually by Trustees.

Reserves Policy

The Trustees have examined the charitable company's requirements for reserves in light of the main risks to the organisation. The Academy's operating costs are covered by monthly funds receivable from the ESFA (Education and Skills Funding Agency). Significant unrestricted reserves are therefore not an immediate priority. The Trustees will review the level of reserves each year as well as the opportunity to carry forward any unspent amounts from the ESFA General Annual Grant or to build up unrestricted reserves from voluntary donations. The aim is to build up free reserves and GAG (General Annual Grant) carry forward amounting to one month's salary costs (£292,000). however, this will be very difficult in the current climate of significant national funding reductions.

The Trustees are also aware of the Academy's liability in relation to the Local Government Pension Scheme which showed a deficit of £741,000.

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

At 31 August 2018 the total funds comprised:

	£
Unrestricted	38,000
Restricted:	
Fixed asset funds	3,514,000
Pension reserve	(741,000)
Other	113,000
	<u>2,924,000</u>

Investment Policy

The Academy's investment policy states that investments must only be made in risk-averse, ethical funds. There were no funds invested at 31 August 2018.

Principal Risks and Uncertainties

The principal risks and uncertainties to the Academy are:

- fluctuating rolls which impact on the financial aspect of the Academy; and
- future funding changes.

FUNDRAISING

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the Academy has a fundraising strategy which reflects:

- charity values;
- the resources we use and the cost we incur in our fundraising; and
- the key financial and reputational risks we may face.

The Academy discusses strategy at meetings to:

- monitor progress; and
- manage the key risks.

The Academy has considered and decided which fundraising issues we will not delegate.

The Academy effective systems in place so that:

In-house fundraising staff:

- know what they are supposed to do, via written role descriptions; and
- are doing the job successfully.

Staff and volunteers:

- know who they report to, and who to approach with problems or concerns;
- understand the boundaries within which they must work when representing the Academy;
- raising funds for the charity is monitored for its effectiveness in doing so; and
- only enter into commercial partnerships which are in the Academy's best interests.

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

We have effective systems in place to ensure that:

- the reputational risks the Academy may face in its fundraising are identified, assessed and managed;
- likely donor, supporter and public perception is considered;
- when income expectations and other goals are considered;
- the legal rules and recognised standards which apply to fundraising are followed;
- values are communicated to the people who work on fundraising;
- the costs of fundraising are managed and explained;
- fundraising finance is planned and monitored;
- effective financial controls are in place and followed;
- risks of financial crime and fraud are reduced;
- the Academy is alerted to any suspicious donations ;
- the Academy can stop (or authorise) any unauthorised fundraising activity using its name;
- serious incidents are reported to the commission, police and other agencies;
- data, name, image logo and intellectual property are protected;
- the Code of Fundraising Practice and other resources (see Annex 2 of Charity fundraising: a guide to trustee duties) are used to find out about the legal rules and recognised standards which apply to fundraising;
- these rules and standards are followed;
- any legal rules and requirements that apply to how the Academy reports on and accounts for its fundraising are complied with;
- open and accessible complaints procedures are followed if concerns are raised about fundraising; and
- fundraising aims and achievements are clearly communicated to the public and to donors and supporters.

PLANS FOR FUTURE PERIODS

As an 11-16 school, Hastings is committed to maintaining its performance, to improve the opportunities on offer for pupils and for further developing the Academy facilities. The set of exam results received by the pupils in August 2018 were strong and confirmed that the school is on course to maintain its high standards.

A key component of age range change has been to extend the facilities on site. In 2015-16 the Academy secured £650,000 for the building of a new 6 classroom maths block and £170,000 to replace all single pane windows in the school. It also remodelled 4 internal classrooms to create extra science, PE and computing facilities. These facilities are in addition to 5 extra classrooms added to the site in previous years, and were all funded by external bids.

In 2016-17 the Academy bid for funds to develop the site further by some replacement flat roofs, which was completed in the spring term. The school will be placing a bid to replace the rest of the single glazed window and metal frames, as well as placing a bid for phase two of our replacing roofing programme.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held by the Academy on behalf of others.

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

AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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 Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company directors, on 28 November 2018 and signed on the board's behalf by:

.....
Tim Lea
Chair of Trustees

28 November 2018

HASTINGS HIGH SCHOOL

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GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Hastings High 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 Board of Trustees has delegated the day-to-day responsibility to the Headteacher, Mr Nick Goforth, 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 Hastings High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Tim Lea (Chair of Trustees)	5	5
Scott Millns (Vice Chair)	5	5
Dave Hockton (Chair of Resources and Audit)	4	5
Nick Goforth (Headteacher and Accounting Officer)	5	5
Brian Dalby	4	5
Clive Kidd	5	5
Louise Hill (Staff Trustee)	2	5
Kulwant Atkar	3	5
Michelle Bilby	3	5
Louise Hunt	4	5
Claire Hardman (Staff Trustee)	5	5
Matt Conant	3	5
Roisin Hopkins (Appointed 5 September 2017)	5	5
Christine Hall (Appointed 5 September 2017)	4	5
Mark Nickerson (Appointed 5 September 2017)	3	5
Ann Roberts (Staff Trustee)	4	5
John Colledge (Appointed 25 April 2018)	0	1
Ben Worthy (Appointed 25 April 2018)	1	1
Rob Penny (Appointed 6 June 2018)	1	1

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GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

Throughout the year the Board of Trustees has taken a review of both the skills required of the Board of Trustees and also the skills the individual Trustees already possess. This was done in conjunction with the Clerk to Trustees Training Programme and support, the Chair of Trustees National Leadership Development, and the Leicestershire County Council Governor Development service. This helps to formulate a plan in relation to the skills required for either training purposes and when looking to recruit extra Trustees to the Board of Trustees. This review is repeated annually. In addition to this the Board of Trustees works closely with the Affinity Teaching School Alliance to support the Academy's governance.

The Resources and Audit Committee is a sub-committee of the Board of Trustees. Its purpose is to:

Consider the following matters: budget setting and monitoring; matters relating to site, including lettings and inventory; health and safety and financial regulations and controls.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Michelle Bilby	4	6
Brian Dalby	4	6
Nick Goforth	6	6
Dave Hockton	4	6
Clive Kidd	5	6
Tim Lea	3	6
Scott Milns	5	6
Mark Nickerson	3	6

The Pupil Outcomes Committee is also a sub-committee of the Board of Trustees. Its purpose is to:

Consider the following matters: standards - target setting and getting; achievement - value added and Pupil Premium; provisions - including equal opportunity, personalisation and policies relating to children.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Kulwant Atkar	3	4
Nick Goforth	4	4
Claire Hardman	3	4
Louise Hill	0	4
Dave Hockton	2	4
Louise Hunt	4	4
Tim Lea	3	4
Matt Conant	4	4
Ann Roberts	0	4
Roisin Hopkins	3	3
Christine Hall	2	3

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GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

The Pay Committee is also a sub-committee of the Board of Trustees. Its purpose is to:

Consider the following matters: Pay and conditions; performance management; policies relating to staff.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Kulwant Atkar	2	2
Brian Dalby	2	2
Nick Goforth	2	2
Dave Hockton	2	2
Tim Lea	1	2
Scott Milns	1	2

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

- All departmental learning resources are purchased through a bidding system. This ensures that funds available for Heads of Department are allocated where they will have most impact on the pupils and in line with the principles of best value.
- The school was successful in bidding for capital for new roofs, insulation and LED lighting. The insulation and LED lighting has a significant impact on the school's energy efficiency.

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hastings High School for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

HASTINGS HIGH SCHOOL

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GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint the Leicestershire County Council (LCC) as internal auditors.

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

- testing of payroll systems;
- testing of purchase systems;
- testing of control account/ bank reconciliations;
- review of the financial procedures and financial policies document;
- review of Trustees meetings and minutes;
- review of cash flow;
- inventory checks;
- review of preparation, approval and monitoring of budgets; and
- review of private funds.

On an annual basis, the Internal Auditor reports to the Board of Trustees, through the Resources and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

HASTINGS HIGH SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

REVIEW OF EFFECTIVENESS

As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the LCC internal audit;
- the work of the external auditor MHA MacIntyre Hudson;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework; and
- The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources and Audit 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 Board of Trustees on 28 November 2018 and signed on its behalf by:

.....
Tim Lea
Chair of Trustees

.....
Nick Goforth
Accounting Officer

HASTINGS HIGH SCHOOL
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**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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

.....
Nick Goforth
Accounting Officer

28 November 2018

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

.....
Tim Lea
Chair of Trustees

Date: 28 November 2018

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HASTINGS HIGH SCHOOL**

OPINION

We have audited the financial statements of Hastings High School (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities Incorporating the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

HASTINGS HIGH SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HASTINGS HIGH SCHOOL**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HASTINGS HIGH SCHOOL**

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

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

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 13 December 2018

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HASTINGS HIGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 24 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hastings High School during the year ended 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF HASTINGS HIGH SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Hastings High School's funding agreement with the Secretary of State for Education dated 22 August 2013, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HASTINGS
HIGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity.

CONCLUSION

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

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 13 December 2018

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME FROM:						
Donations and capital grants	2	-	-	-	-	289
Funding for the Academy						
Trust's educational operations	3	1	4,221	18	4,240	4,346
Other trading activities	4	24	-	-	24	28
Investments	5	-	-	-	-	1
TOTAL INCOME		25	4,221	18	4,264	4,664
EXPENDITURE ON:						
Raising funds	6	10	-	-	10	8
Academy Trust educational operations	7	-	4,667	100	4,767	4,235
TOTAL EXPENDITURE	8	10	4,667	100	4,777	4,243
NET BEFORE TRANSFERS		15	(446)	(82)	(513)	421
Transfers between Funds	18	-	(34)	34	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		15	(480)	(48)	(513)	421
Actuarial gains on defined benefit pension schemes	23	-	301	-	301	288
NET MOVEMENT IN FUNDS		15	(179)	(48)	(212)	709
RECONCILIATION OF FUNDS:						
Total funds brought forward		23	(449)	3,562	3,136	2,427
TOTAL FUNDS CARRIED FORWARD		38	(628)	3,514	2,924	3,136

The notes on pages 26 to 50 form part of these financial statements.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08617343

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Tangible assets	14		3,600		3,662
CURRENT ASSETS					
Debtors	15	77		303	
Cash at bank and in hand		287		504	
		<u>364</u>		<u>807</u>	
CREDITORS: amounts falling due within one year	16	(232)		(329)	
NET CURRENT ASSETS			<u>132</u>		<u>478</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,732</u>		<u>4,140</u>
CREDITORS: amounts falling due after more than one year	17		(67)		(86)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>3,665</u>		<u>4,054</u>
Defined benefit pension scheme liability	23		(741)		(918)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>2,924</u>		<u>3,136</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	113		469	
Restricted fixed asset funds	18	3,514		3,562	
Restricted income funds excluding pension liability		<u>3,627</u>		<u>4,031</u>	
Pension reserve		(741)		(918)	
Total restricted income funds			<u>2,886</u>		<u>3,113</u>
Unrestricted income funds	18		<u>38</u>		<u>23</u>
TOTAL FUNDS			<u>2,924</u>		<u>3,136</u>

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 22 to 50 were approved by the Trustees, and authorised for issue, on 28 November 2018 and are signed on their behalf, by:

.....
Tim Lea

Chair of Trustees

.....
Nick Goforth

Headteacher

The notes on pages 26 to 50 form part of these financial statements.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	<u>(183)</u>	<u>316</u>
Cash flows from investing activities:			
Interest receivable		-	1
Purchase of tangible fixed assets		(38)	(267)
Capital grants from DfE/ESFA and other capital funding		<u>18</u>	<u>16</u>
Net cash used in investing activities		<u>(20)</u>	<u>(250)</u>
Cash flows from financing activities:			
Repayments of borrowings		(14)	(8)
Cash inflows from new borrowing		-	54
Net cash (used in)/provided by financing activities		<u>(14)</u>	<u>46</u>
Change in cash and cash equivalents in the year		<u>(217)</u>	<u>112</u>
Cash and cash equivalents brought forward		<u>504</u>	<u>392</u>
Cash and cash equivalents carried forward	21	<u><u>287</u></u>	<u><u>504</u></u>

The notes on pages 26 to 50 form part of these financial statements.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hastings High School constitutes a public benefit entity as defined by FRS 102.

Hastings High School is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees Report.

The Financial Statements are prepared in £ Sterling, the functional currency, rounded to the nearest £1,000.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities 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 grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income 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 (where there are no performance-related conditions), where receipt is probable and it can be measured reliably.

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

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

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long - term leasehold land	-	0.8% straight line per annum
Long - term leasehold property	-	2% straight line per annum
Furniture and fixtures	-	15% straight line per annum
Computer equipment	-	33% straight line per annum

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.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

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

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the bank.

1.8 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.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

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

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Pensions

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

The TPS is an unfunded multi-employer 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. As stated in note 23, the TPS is an unfunded multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions (continued)

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.

1.14 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 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 annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are reassessed annually. See note 14 for the carrying amount of the tangible fixed assets and note 1.5 for the useful economic lives for each class of assets.

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Capital grants	-	-	-	-	289
Total 2017	-	289	-	289	

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

3. FUNDING FOR ACADEMY TRUSTS EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,698	3,698	3,837
Pupil Premium	-	113	113	123
Other ESFA/DfE grants	-	23	23	22
Devolved formula capital	-	18	18	16
	-	3,852	3,852	3,998
Other government grants				
Local Authority grants	-	63	63	71
	-	63	63	71
Other funding				
Parental contributions	1	322	323	264
Other income	-	2	2	13
	1	324	325	277
	1	4,239	4,240	4,346
Total 2017	2	4,344	4,346	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Hire of facilities	15	-	15	21
Other trading income	9	-	9	7
	24	-	24	28
Total 2017	28	-	28	

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Investment income	-	-	-	1
Total 2017	1	-	1	

6. RAISING FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Lettings staff subsistence	4	-	4	3
Lettings staff costs	6	-	6	5
	10	-	10	8
Total 2017	8	-	8	

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

7. CHARITABLE ACTIVITIES

	Total funds 2018 £000	Total funds 2017 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,279	2,099
National insurance	231	210
Pension cost	457	430
Depreciation	100	80
Technology costs	50	60
Educational supplies	347	320
Staff development	21	19
Other direct costs	19	30
	3,504	3,248
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	438	420
National insurance	29	28
Pension cost	88	80
Pension finance cost (note 13)	24	24
Technology costs	18	13
Recruitment and support	6	7
Maintenance of premises and equipment	310	68
Cleaning	9	10
Rates	21	20
Energy costs	41	42
Insurance	29	33
Professional fees	44	51
Security and transport	28	18
Bank interest and charges	1	1
Other support costs	159	155
Governance costs	18	17
	1,263	987
	4,767	4,235

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

8. TOTAL RESOURCES EXPENDED

	Staff costs	Premises	Other costs	Total	Total
	2018	2018	2018	2018	2017
	£000	£000	£000	£000	£000
Costs of generating funds	6	-	4	10	8
Educational Operations:					
Direct costs	2,967	76	461	3,504	3,248
Support costs	579	415	269	1,263	987
	<u>3,552</u>	<u>491</u>	<u>734</u>	<u>4,777</u>	<u>4,243</u>
Total 2017	<u>3,296</u>	<u>252</u>	<u>695</u>	<u>4,243</u>	

In 2017, of the total expenditure on charitable educational activities of £4,243,000, £8,000 was from unrestricted funds, £4,155,000 was from restricted funds and £80,000 from restricted fixed asset funds.

9. NET INCOME/EXPENDITURE

This is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible fixed assets	100	80
Auditors' remuneration - audit	15	14
Auditors' remuneration - non-audit	3	3
Operating lease rentals	51	43
	<u>169</u>	<u>140</u>

HASTINGS HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	2,697	2,508
Social security costs	260	238
Operating costs of defined benefit pension schemes	545	510
	<u>3,502</u>	<u>3,256</u>
Supply staff costs	26	16
Pension finance cost (note 13)	24	24
	<u>3,552</u>	<u>3,296</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	49	47
Administration and support	42	42
Management	8	7
	<u>99</u>	<u>96</u>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	45	43
Administration and support	28	29
Management	8	7
	<u>81</u>	<u>79</u>

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £80,001 - £90,000	1	1

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS (continued)

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff members amounted to £24,604 (2017 - £13,296).

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £739,814 (2017 - £509,832).

11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£000	£000
Mr N Goforth, Headteacher	Remuneration	85-90	80-85
	Pension contributions paid	10-15	10-15
Mrs L Hill, Staff Trustee	Remuneration	40-45	40-45
	Pension contributions paid	5-10	5-10
Mrs C Hardman, Staff Trustee	Remuneration	45-50	30-35
	Pension contributions paid	5-10	5-10
Mrs A Roberts, Staff Trustee	Remuneration	25-30	-
	Pension contributions paid	5-10	-
Mrs J Selby, Staff Trustee	Remuneration	-	20-25
	Pension contributions paid	-	0-5
Mrs K Wright, Staff Trustee	Remuneration	-	0-5
	Pension contributions paid	-	0-5
Mrs K McQuillin, Staff Trustee	Remuneration	-	0-5
	Pension contributions paid	-	0-5

During the year ended 31 August 2018, school related expenses of £451 (2017 - £NIL) were reimbursed to one trustee.

Other related party transactions involving the Trustees are set out in note 25.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £743 (2017 - £1,118).

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

13. PENSION FINANCE COST

	2018	2017
	£000	£000
Interest income on pension scheme assets	40	26
Interest on pension scheme liabilities	(64)	(50)
	<u>(24)</u>	<u>(24)</u>

14. TANGIBLE FIXED ASSETS

	Leasehold property £000	Furniture and fixtures £000	Computer equipment £000	Total £000
Cost				
At 1 September 2017	3,696	138	48	3,882
Additions	-	6	32	38
At 31 August 2018	<u>3,696</u>	<u>144</u>	<u>80</u>	<u>3,920</u>
Depreciation				
At 1 September 2017	150	51	19	220
Charge for the year	55	21	24	100
At 31 August 2018	<u>205</u>	<u>72</u>	<u>43</u>	<u>320</u>
Net book value				
At 31 August 2018	<u><u>3,491</u></u>	<u><u>72</u></u>	<u><u>37</u></u>	<u><u>3,600</u></u>
At 31 August 2017	<u><u>3,546</u></u>	<u><u>87</u></u>	<u><u>29</u></u>	<u><u>3,662</u></u>

Included in long-term leasehold property is long-term leasehold land valued at £1,568,160 (2017 - £1,568,160) on conversion in 2013 by Andrea Hopkins MRICS from Leicestershire County Council, using the depreciated replacement cost method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

The freehold of the land and buildings are owned by Leicestershire County Council. The Academy Trust holds a 125 year lease on a peppercorn rent from 2014.

15. DEBTORS

	2018	2017
	£000	£000
Trade debtors	1	5
VAT repayable	29	25
Prepayments and accrued income	47	273
	<u>77</u>	<u>303</u>

HASTINGS HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£000	£000
Other loans	19	14
Trade creditors	13	80
Other taxation and social security	64	59
Other creditors	61	55
Accruals and deferred income	75	121
	232	329
	232	329
	2018	2017
	£000	£000
Included in the above deferred income		
Deferred income at 1 September 2017	101	96
Resources deferred during the year	62	101
Amounts released from previous years	(101)	(96)
	62	101
	62	101

At the Balance Sheet date the Academy Trust was holding funds received in advance for school trips in relation to the next academic year.

Included within other loans are Salix loans from the Education and Skills Funding Agency. These are repayable by September 2022. The loans were pre approved by the Secretary of State, and provided through the Academies Capital Maintenance Fund for boiler and heater systems and the Capital Improvement Fund for energy efficient lighting.

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

	2018	2017
	£000	£000
Other loans	67	86
	67	86
Included within the above are amounts falling due as follows:		
	2018	2017
	£000	£000
Between two and five years		
Other loans	67	76
	67	76
Over five years		
Other loans	-	10
	-	10

HASTINGS HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. CREDITORS: Amounts falling due after more than one year (continued)

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

	2018	2017
	£000	£000
Repayable by instalments	-	10

Included within other loans are Salix loans from the Education and Skills Funding Agency. These are repayable by September 2022. The loans were pre-approved by the Secretary of State, and provided through the Academies Capital Maintenance Fund for boiler and heater systems and the Capital Improvement Fund for energy efficient lighting.

18. STATEMENT OF FUNDS

	Brought forward £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	23	25	(10)	-	-	38
Restricted funds						
General Annual Grant (GAG)	180	3,698	(3,757)	(34)	-	87
Other DfE/ESFA grants	-	23	(23)	-	-	-
Pupil Premium	-	113	(113)	-	-	-
Capital grants	289	-	(263)	-	-	26
Other income	-	387	(387)	-	-	-
Pension reserve	(918)	-	(124)	-	301	(741)
	(449)	4,221	(4,667)	(34)	301	(628)
Restricted fixed asset funds						
Net book value of fixed assets	3,662	-	(100)	38	-	3,600
Salix loan	(100)	-	-	14	-	(86)
Capital grant DFC	-	18	-	(18)	-	-
	3,562	18	(100)	34	-	3,514
Total restricted funds	3,113	4,239	(4,767)	-	301	2,886
Total of funds	3,136	4,264	(4,777)	-	301	2,924

HASTINGS HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy at the discretion of the Trustees.

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Transfers of £20,000 from GAG funding to the restricted fixed asset fund represent allocation of funds towards the new ICT equipment and furniture for the Academy.

Other DfE/ESFA grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy's educational operations.

Pupil premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education and Skills Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Other income

These consist of restricted income from all other sources to be used primarily for the Academy's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit. Given the nature of the liability, however, this is not payable immediately. Plans are in place to address the deficit.

Restricted fixed asset fund

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion to an Academy from the Local Authority following the transfer of assets. It includes further amounts invested in fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The SALIX loan liability represents amounts which were received as part of the CIF funding received for the purchase of tangible fixed assets. As repayments are made against this liability, a transfer of £14,000 was made from restricted funds against the SALIX loan fund during the year.

HASTINGS HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2017 £000
General funds						
Unrestricted funds	-	31	(8)	-	-	23
Restricted funds						
General Annual Grant (GAG)	(81)	3,837	(3,547)	(29)	-	180
Other DfE/ESFA grants	-	22	(22)	-	-	-
Pupil Premium	-	123	(123)	-	-	-
Capital grants	-	289	-	-	-	289
Other income	-	346	(346)	-	-	-
Pension reserve	(1,089)	-	(117)	-	288	(918)
	<u>(1,170)</u>	<u>4,617</u>	<u>(4,155)</u>	<u>(29)</u>	<u>288</u>	<u>(449)</u>
Restricted fixed asset funds						
Net book value of fixed assets	3,475	-	(80)	267	-	3,662
Salix loan	(54)	-	-	(46)	-	(100)
CIF capital grant	176	-	-	(176)	-	-
Capital grant DFC	-	16	-	(16)	-	-
	<u>3,597</u>	<u>16</u>	<u>(80)</u>	<u>29</u>	<u>-</u>	<u>3,562</u>
Total restricted funds	<u>2,427</u>	<u>4,633</u>	<u>(4,235)</u>	<u>-</u>	<u>288</u>	<u>3,113</u>
Total of funds	<u><u>2,427</u></u>	<u><u>4,664</u></u>	<u><u>(4,243)</u></u>	<u><u>-</u></u>	<u><u>288</u></u>	<u><u>3,136</u></u>

HASTINGS HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	-	56	(18)	-	-	38
Restricted funds						
General Annual Grant (GAG)	(81)	7,535	(7,304)	(63)	-	87
Other DfE/ESFA grants	-	45	(45)	-	-	-
Pupil Premium	-	236	(236)	-	-	-
Capital grants	-	289	(263)	-	-	26
Other income	-	733	(733)	-	-	-
Pension reserve	(1,089)	-	(241)	-	589	(741)
	(1,170)	8,838	(8,822)	(63)	589	(628)
Restricted fixed asset funds						
Net book value of fixed assets	3,475	-	(180)	305	-	3,600
Salix loan	(54)	-	-	(32)	-	(86)
CIF capital grant	176	-	-	(176)	-	-
Capital grant DFC	-	34	-	(34)	-	-
	3,597	34	(180)	63	-	3,514
	2,427	8,872	(9,002)	-	589	2,886
Total of funds	2,427	8,928	(9,020)	-	589	2,924

HASTINGS HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	3,600	3,600
Current assets	37	326	-	363
Creditors due within one year	1	(213)	(19)	(231)
Creditors due in more than one year	-	-	(67)	(67)
Pension scheme liability	-	(741)	-	(741)
	<u>38</u>	<u>(628)</u>	<u>3,514</u>	<u>2,924</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	3,662	3,662
Current assets	23	784	-	807
Creditors due within one year	-	(315)	(14)	(329)
Creditors due in more than one year	-	-	(86)	(86)
Pension scheme liability	-	(918)	-	(918)
	<u>23</u>	<u>(449)</u>	<u>3,562</u>	<u>3,136</u>

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

	2018 £000	2017 £000
Net income for the year	(513)	421
Adjustment for:		
Depreciation charges	100	80
Interest receivable	-	(1)
Decrease/(increase) in debtors	228	(85)
Decrease in creditors	(104)	(200)
Capital grants from DfE/ESFA and other capital funding	(18)	(16)
Defined benefit pension scheme cost less contributions payable	100	93
Defined benefit pension scheme finance cost (note 13)	24	24
Net cash (used in)/provided by operating activities	<u>(183)</u>	<u>316</u>

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

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£000	£000
Cash in hand	287	504
Total	287	504

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018	2017
	£000	£000
Contracted for but not provided in these financial statements	-	276

23. PENSION COMMITMENTS

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

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

Contributions amounting to £61,000 were payable to the schemes at 31 August 2018 (2017 - £55,000) 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

The Teachers' Pension Budgeting and Valuation Account

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £326,000 (2017 - £306,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £146,000 (2017 - £140,000), of which employer's contributions totalled £116,000 (2017 - £110,000) and employees' contributions totalled £30,000 (2017 - £30,000). The agreed contribution rates for future years are 23.75% for employers and 5.5% to 12.5% for employees.

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.30 %	3.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Inflation assumption (CPI)	2.30 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

	At 31 August	At 31 August
	2018	2017
	£000	£000
Sensitivity analysis		
Discount rate +0.1%	(66)	(64)
Discount rate -0.1%	66	64
Mortality assumption - 1 year increase	99	98
Mortality assumption - 1 year decrease	(99)	(98)
CPI rate +0.1%	51	48
CPI rate -0.1%	(51)	(48)

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

	Fair value at	Fair value at
	31 August	31 August
	2018	2017
	£000	£000
Equities	1,076	1,020
Corporate bonds	469	305
Property	156	122
Cash	35	76
	<hr/>	<hr/>
Total market value of assets	1,736	1,523
	<hr/> <hr/>	<hr/> <hr/>

HASTINGS HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

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

	2018 £000	2017 £000
Current service cost	(216)	(203)
Interest income	40	26
Interest cost	(64)	(50)
	<u>(240)</u>	<u>(227)</u>
Actual return on scheme assets	<u>75</u>	<u>194</u>

The Academy expects to contribute £126,000 to its defined benefit pension scheme 2019.

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

	2018 £000	2017 £000
Opening defined benefit obligation	2,441	2,285
Current service cost	216	203
Interest cost	64	50
Employee contributions	30	30
Actuarial gains	(266)	(120)
Benefits paid	(8)	(7)
	<u>2,477</u>	<u>2,441</u>

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

	2018 £000	2017 £000
Opening fair value of scheme assets	1,523	1,196
Interest income	40	26
Actuarial gains	35	168
Employer contributions	116	110
Employee contributions	30	30
Benefits paid	(8)	(7)
	<u>1,736</u>	<u>1,523</u>

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

24. OPERATING LEASE COMMITMENTS

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

	2018	2017
	£000	£000
Amounts payable:		
Within 1 year	51	68
Between 2 and 5 years	60	59
Total	111	127

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions that took place during the year that required disclosure within the financial statements, other than certain Trustees remuneration and expenses as disclosed in note 11.

26. CONTROLLING PARTY

The Academy is ultimately controlled by the Board of Trustees, which includes the Headteacher.

27. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a Company limited by guarantee and does not have share capital.

28. MEMBERS' LIABILITY

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