



HASTINGS HIGH SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020

Members

Michelle Bilby (Resigned 14 October 2020)
Tim Lea
Clive Kidd
Scott Millns

Trustees

Louise Hunt (Chair of Trustees)
Christine Hall (Vice Chair)
Claire Bradley (Co-Head and Accounting Officer)
Steve Shipman (Co-Head and Accounting Officer)
Michelle Bilby (Resigned 14 October 2020)
Tim Lea
Clive Kidd
Scott Millns
Brian Dalby
Roisin Hopkins
Mark Nickerson
John Colledge
Matt Conant
Rob Penny
Ben Worthy
Claire Hardman (Staff Trustee)
Ann Roberts (Staff Trustee)
Will Wade (Staff Trustee)
Tony Hill (Appointed 19 December 2019)
Claire Reynolds (Appointed 19 December 2019)

Senior Management Team

Claire Bradley (Co-Head)
Steve Shipman (Co- Head)
Graeme Bonser (Assistant Headteacher)
Katy Bonser (Assistant Headteacher)
Claire Hardman (Assistant Headteacher)
Laura Woodward (Assistant Headteacher)
Andy Spetch (Assistant Headteacher. Appointed 24 August 2020)
Peter Tilbury (Business Manager)
Jac Birch (ESLT)
Sally Elsworth (ESLT)
Harriet Jenkins (ESLT. Post ended 23 August 2020)
Andy Spetch (ESLT. Post ended 23 August 2020)
Will Wade (ESLT)
Pat Whitehurst (ESLT)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020

Company Name

Hastings High School

Principal and Registered Office

St Catherines 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the charitable company for the year 1 September 2019 to 31 August 2020. 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 800 and had a roll of 839 in the school census on 16 January 2020.

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 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 pages 1 and 2.

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

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 £707 (2019: £708).

Method of Recruitment and Appointment or Election of Trustees

The Academy currently has 20 Trustees (although the Co-Heads count as one appointment) and is required to have a minimum of 3 and is not subject to a maximum. Parent Trustees are elected by Parents/Carers of pupils. Interested applicants are intended to meet with the Co-Heads and Chair of Trustees prior to the election taking place to ensure all parties are clear on expectations regarding the role. Staff Trustees are elected by staff at the Academy. Co-Opted must live or work in the community served by the Academy or are, in the opinion of the Board of Trustees, committed to the governance and success of the Academy. The Trustees may appoint up to three co-opted Trustees. All Trustees 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.

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 Board of Trustees. The Trustees make major decisions in relation

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

to expenditure and capital. There are three main committees – Resourcing and Audit, HR and Pupil Outcomes.

The Senior Leadership Team 2019/20 (from August 2019) comprised of Co-Heads, 4 Assistant Headteachers, 4 Heads of Departments, 2 Heads of Year 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 Governors and reporting back to them. The Co-Heads are the Accounting Officers. 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 Co-Heads and any performance-related increases proposed are scrutinised by the Trustees'.

The remuneration of the Co-Heads is approved by the HR committee in consultation with an independent advisor. Any decisions made are then ratified by the Board of Trustees.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	79.9

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2 (1 hour for the year was spent)
1%-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time £36.81
Provide the total pay bill £2,860,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100 0.001287

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: 0

(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100
650

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

Our aim is to provide 'Care and Excellence' for all members of our 'Hastings Family'. We strive to be a supportive, innovative and inclusive school community which empowers every individual to thrive and excel.

Hastings High School aims to:

- Provide a sense of community with staff, pupils and their families working together;
- Be highly ambitious for our pupils and for our school to ensure we provide the best possible education;
- Encourage pupils to take responsibility for their behaviour and learning;
- Provide an enriching school curriculum which develops pupils all round skills for future success; and
- Empower pupils to undertake self-development activities to develop all aspects of their capabilities.

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 objectives 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 2020

STRATEGIC REPORT

Achievements and Performance

The Academy Trust is responsible for the achievements and performance of Hastings High School. With the Senior Leadership Team, the Trustees determine the strategic vision and ethos of the school. They hold the school to account – challenging and monitoring performance particularly the achievement of students, the quality of teaching, behaviour and safety, quality of leadership and management and ensuring financial probity and acting as a responsible employer.

The Academy has experienced a significant period of challenge with Covid-19 but remained open throughout the lockdown, including school holiday periods for children of key workers and vulnerable pupils.

Key Performance Indicators

Financial performance is monitored monthly against budget and established expenditure profiles. The Academy is predicting an in-year surplus in 2020-21.

- 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; and
- All staff undertake performance management (Though for some staff this has been delayed due to Covid-19).

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 (2019). For the 2020 results due to the national situation the results were generated from the higher of either the Centre Assessed Grades or Exam board moderated grades. These results indicate a further increase in results though there are no performance tables for this academic year. We had 9 pupils achieving 10 grade 7-9's with 50% of pupils achieving at least one grade 7 or above. One pupil achieved a clean sweep of grade 9 results meaning he is in the top few students in the whole country.

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.

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The aim is to build up free reserves and GAG (General Annual Grant) carry forward amounting to one month's salary costs, 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 £1,475,000.

A surplus or deficit position of the pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase or decrease in employers' pension contributions over a period of years.

At 31 August 2020 the total funds comprised:

Unrestricted		£75,000
Restricted:	Fixed asset funds	£3,630,000
	Unspent DFC	£1,000
	Salix Loan	(£88,000)
	Pension reserve	(£1,475,000)
	Other	£75,000
		<u>£2,240,000</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 2020.

Principal Risks and Uncertainties

The principal risks and uncertainties to the Academy are:

- Covid-19;
- Strategic and Reputational risk;
- Operational risks;
- Compliance risk; and
- Financial risk

Control measures are in place to manage and identify risks, the key risks being that of reduced pupil numbers, that would affect the level of ESFA funding and potential future Government cuts. Active promotion of the Academy is robustly maintained and through regular reports to the Resources and Audit Committee the budget is monitored carefully over a 3 year projected period to manage any reduction in funding.

The principal risks facing the Academy are:

- Covid-19 – The School has additional expenditure to ensure the safety of pupils, staff, visitors and contractors. There is a system in place to identify spend for Trustees to review and also for claiming for reimbursement of costs incurred from Government.
- Reputational risk – The principal reputational risks are adverse publicity about the Academy caused by a failure of members of the school to follow established policy, procedures or practice. The risk is mitigated through a robust adherence to and monitoring of the academy's policies, procedures and practices. In addition, the Academy proactively nurtures good relationships with all stakeholders, including parents and the local community.

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TRUSTEES' REPORT (continued)
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- **Financial Risk** – The principal financial risks are a reduction in pupil numbers, reduction in central Government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The financial risks are mitigated by establishing high demand for places at the Academy, sound financial planning based on accurate information from central Government. Increasing income streams by trading expertise locally and nationally and a planned and costed programme of building refurbishment. Insurance against loss options are considered and adopted as appropriate.
- **Risks associated with personnel** - The risks associated with personnel are long term absences, the failure to recruit or retain staff and staff unable to undertake responsibilities to the required standard. The personnel risks are mitigated by strict adherence to all HR policies, practice and procedures, a focus on succession planning, high quality induction programmes and high quality appraisal processes and CPL.

The Academy Trust practices through its Board, namely the Board of Trustees and the Resources and Audit committee, risk management principles. Any major risks are reviewed with mitigating actions to reduce the risk adequately.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by the Senior Leadership Team.

FUNDRAISING

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

PLANS FOR FUTURE PERIODS

As an 11-16 school, Hastings High School 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 2020 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, 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.

In 2018/19 the Academy also bid for funds to replace the rest of the single glazed window and metal frames. The Academy also placed a bid for phase 2 of our roof replacement programme. We were successful with the window bid and the work was completed in October 2019. However, we were unsuccessful with the roof programme for 2018/19.

As the Academy is oversubscribed, future roof replacement bids have been put on hold and a CIF application for a 4 block classroom was submitted in 2019/20, as well as a safeguarding bid to replace our inadequate fencing and to increase security by installing magnetic locks to all our external doors. Unfortunately, both bids were unsuccessful and Trustees are currently working with a local MP for urgent capital support.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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.

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors and signed on the board's behalf by:



.....
Louise Hunt
Chair of Trustees

11th December 2020

HASTINGS HIGH SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Co-Heads as Accounting Officers, 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 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 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
Louise Hunt (Chair of Trustees)	4	4
Christine Hall (Vice Chair)	4	4
Claire Bradley (Co-Head and Accounting Officer)	3	3
Steve Shipman (Co-Head and Accounting Officer)	3	3
Michelle Bilby	3	4
Tim Lea	3	4
Clive Kidd	4	4
Scott Millns	3	4
Brian Dalby	4	4
Roisin Hopkins	3	4
Mark Nickerson	2	4
John Colledge	1	4
Matt Conant	3	4
Rob Penny	4	4
Ben Worthy	4	4
Claire Hardman (Staff Trustee)	3	4
Ann Roberts (Staff Trustee)	4	4
Will Wade (Staff Trustee)	4	4
Tony Hill	1	2
Claire Reynolds	2	2

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GOVERNANCE STATEMENT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2020

The Academy has at present 4 Members. Their purpose is to:

Set the strategic vision, monitoring the current and future direction of the Academy.

Member	Meetings attended	Out of a possible
Michelle Bilby	2	2
Clive Kidd	2	2
Tim Lea	2	2
Scott Millns	1	2

The Trustees determine the strategic vision and ethos of the school. They hold the Academy to account – challenging and monitoring performance particularly the achievement of students, the quality of teaching, behaviour and safety, quality of leadership and management and ensuring financial probity and acting as a responsible employer.

Data used by the Board includes;

- student progress data;
- other student data (attendance, behaviour and exclusions etc.); and
- financial information.

The Co-Heads have ensured that the quality of data provided to the Board is consistent in its format, accurate and relevant, allowing the Board to be fully informed and hold leaders to account.

Governance reviews:

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 Governors 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.

At least 6 times per year the Academy sends budget management documents to all Trustees including;

- expenditure report;
- aged debtor report;
- aged creditor report;
- balance sheet;
- bank statement and reconciliation reports;
- income and expenditure variations; and
- cash flow forecast.

The Resources and Audit Committee is a sub-committee of the main 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.

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GOVERNANCE STATEMENT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Brian Dalby	3	4
Christine Hall	4	4
Louise Hunt	4	4
Clive Kidd (Vice Chair)	4	4
Mark Nickerson	2	4
Ben Worthy	4	4
Claire Bradley (ex officio)	4	4
Steve Shipman (ex officio)	4	4

The Pupil Outcomes committee is also a sub-committee of the main 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
Michelle Bilby	2	3
John Colledge	2	3
Matt Conant	2	3
Claire Hardman	3	3
Roisin Hopkins	3	3
Tim Lea	2	3
Louise Hunt	3	3
Ann Roberts	2	3
Will Wade	3	3
Claire Bradley (ex officio)	3	3
Steve Shipman (ex officio)	3	3

The HR committee is also a sub-committee of the main 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
Christine Hall	2	3
Louise Hunt	3	3
Rob Penny	2	3
Scott Millns	1	2
Claire Bradley (ex officio)	3	3
Steve Shipman (ex Officio)	3	3

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GOVERNANCE STATEMENT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2020

REVIEW OF VALUE FOR MONEY

As Accounting Officers the Co-Heads have responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officers understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officers 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 Officers 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 previous bidding for capital for new windows, external doors, roofs, insulation and LED lighting. The doors, windows, insulation and LED lighting has a significant impact on the school's energy efficiency; and
- Increase staffing in premises team to enable more site development work to be completed in-house and subsequently reduce costs significantly.

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 for the period 1 September 2019 to 31 August 2020 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 period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 finance and general purposes 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.

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GOVERNANCE STATEMENT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

REVIEW OF EFFECTIVENESS


As Accounting Officers the Co-Heads have 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 11th December 2020 and signed on its behalf by:


.....
Louise Hunt
Chair of Trustees


.....
Steve Shipman
Accounting Officer


.....
Claire Bradley
Accounting Officer

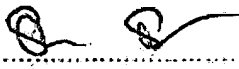
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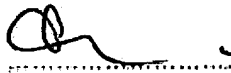
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2020

As Accounting Officers of Hastings High School we have considered our 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 terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of our consideration we have had due regard to the requirements of the Academies Financial Handbook 2019.

We confirm that we and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

We 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.


.....
Steve Shipman
Accounting Officer


.....
Claire Bradley
Accounting Officer

11th December 2020

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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;
- 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:



.....
Louise Hunt
Chair of Trustees

Date: *11th December* 2020

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 2020 which comprise the Statement of Financial Activities, 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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
(A Company Limited by Guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements and.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, set out on page 16, 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.

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

MHA MacIntyre Hudson

Helen Blundell LLB FCA FCIE 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: 20 December 2020

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 24 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 1 September 2019 to 31 August 2020 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 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 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 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 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- 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;
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity; and
- consideration of governance issues.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 20 December 2020

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Income from:						
Donations and capital grants	3	-	2	-	2	164
Funding for the Academy Trust's educational operations	4	-	4,628	18	4,646	4,314
Other trading activities	5	14	-	-	14	22
Investments	6	1	-	-	1	1
Total income		15	4,630	18	4,663	4,501
Expenditure on:						
Raising funds	7	3	-	-	3	5
Academy Trust educational operations	8	-	4,847	109	4,956	4,465
Total expenditure		3	4,847	109	4,959	4,470
Net income/ (expenditure)		12	(217)	(91)	(296)	31
Transfers between funds	19	-	(25)	25	-	-
Net movement in funds before other recognised gains/(losses)		12	(242)	(66)	(296)	31
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	29	-	29	(448)
Net movement in funds		12	(213)	(66)	(267)	(417)

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Reconciliation of funds:						
Total funds brought forward	19	63	(1,165)	3,609	2,507	2,924
Net movement in funds	19	12	(213)	(66)	(267)	(417)
Total funds carried forward	19	75	(1,378)	3,543	2,240	2,507

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 58 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	15		3,630		3,716
			<u>3,630</u>		<u>3,716</u>
Current assets					
Debtors	16	67		110	
Cash at bank and in hand	24	369		552	
		<u>436</u>		<u>662</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(287)		(459)	
		<u></u>		<u></u>	
Net current assets			149		203
			<u>3,779</u>		<u>3,919</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	18		(64)		(86)
			<u>3,715</u>		<u>3,833</u>
Net assets excluding pension liability					
Defined benefit pension scheme liability	26		(1,475)		(1,326)
			<u>2,240</u>		<u>2,507</u>
Total net assets					
			<u><u>2,240</u></u>		<u><u>2,507</u></u>
Funds of the Academy					
Restricted funds:					
Fixed asset funds	19	3,543		3,609	
Restricted income funds	19	97		161	
		<u>3,640</u>		<u>3,770</u>	
Restricted funds excluding pension asset	19				
Pension reserve	19	(1,475)		(1,326)	
		<u></u>		<u></u>	
Total restricted funds	19		2,165		2,444
Unrestricted income funds	19		75		63
			<u>2,240</u>		<u>2,507</u>
Total funds			<u><u>2,240</u></u>		<u><u>2,507</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 22 to 58 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
Louise Hunt
Chair of Trustees



.....
Claire Bradley
Accounting Officer



.....
Steve Shipman
Accounting Officer

Date: *11th December* 2020

The notes on pages 27 to 58 form part of these financial statements.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(162)	283
Cash flows from investing activities	23	(4)	(39)
Cash flows from financing activities	22	(19)	21
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(185)	265
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		552	287
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	24	367	552
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 27 to 58 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 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hastings High School meets the definition of a public benefit entity under 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 operation and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This consideration has taken into account the expected impact of Covid-19 on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

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**

This 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.

- **Charitable activities**

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

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided 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.

1.6 Operating leases

Rentals paid 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 institution with whom the funds are deposited.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 Taxation

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

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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 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.

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

1.11 Provisions

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

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

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 bases 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 16. 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 cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

HASTINGS HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 the 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 2020

2. 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 15 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2020. 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.

3. Income from donations and capital grants

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Donations	2	-	2
Total 2020	2	-	2

HASTINGS HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants (continued)

	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Donations	2	-	2
Capital Grants	-	162	162
Total 2019	2	162	164

4. Funding for the Academy's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants		
General Annual Grant (GAG)	3,984	3,984
Pupil Premium	109	109
Other ESFA/DfE grants	253	253
Devolved Formula Capital	18	18
	4,364	4,364
Other government grants		
Local Authority other grants	73	73
	73	73
Other funding		
Other income	12	12
Parental contributions	190	190
	202	202
Exceptional Government funding		
Coronavirus exceptional support	7	7
	7	7
	4,646	4,646

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy's educational operations (continued)

The Academy Trust has been eligible to claim additional funding in year from Government support schemes in response to the Coronavirus outbreak. The funding received is show above under "Exceptional Government funding".

The funding received for Coronavirus exceptional support covers £7,455 of extra Academy Trust costs such as PPE, cleaning products and signage. These costs are included in notes 8 below as appropriate.

There are no other unfulfilled conditions or other contingencies attached to the other Government grants above.

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
DfE/ESFA grants			
General Annual Grant (GAG)	-	3,823	3,823
Pupil Premium	-	116	116
Other ESFA/DfE grants	-	64	64
Devolved Formula Capital	-	61	61
	-	4,064	4,064
Other government grants			
Local Authority other grants	-	50	50
	-	50	50
Other funding			
Other income	-	15	15
Parental contributions	7	178	185
	7	193	200
	7	4,307	4,314

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000
Hire of facilities	9	9
Other trading income	5	5
Total 2020	<u>14</u>	<u>14</u>

	Unrestricted funds 2019 £000	Total funds 2019 £000
Hire of facilities	13	13
Other trading income	9	9
Total 2019	<u>22</u>	<u>22</u>

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Investment income	<u>1</u>	<u>1</u>

	Unrestricted funds 2019 £000	Total funds 2019 £000
Investment income	<u>1</u>	<u>1</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Lettings staff costs	3	3

	Unrestricted funds 2019 £000	Total funds 2019 £000
Lettings staff costs	5	5

8. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Cost of generating funds	3	-	-	3
Educational Operations:				
Direct costs	3,227	187	341	3,755
Support costs	749	107	345	1,201
	<u>3,979</u>	<u>294</u>	<u>686</u>	<u>4,959</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Expenditure (continued)

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Cost of generating funds	5	-	-	5
Educational Operations:				
Direct costs	2,981	77	388	3,446
Support costs	617	149	253	1,019
	<u>3,603</u>	<u>226</u>	<u>641</u>	<u>4,470</u>

9. Analysis of expenditure by activities

	Direct costs 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational Operations	<u>3,755</u>	<u>1,201</u>	<u>4,956</u>

	Direct costs 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Educational Operations	<u>3,446</u>	<u>1,019</u>	<u>4,465</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Direct costs 2020 £000	Total funds 2020 £000
Staff costs	3,227	3,227
Depreciation	109	109
Technology costs	63	63
Educational supplies	271	271
Staff development	25	25
Other direct costs	60	60
	<u>3,755</u>	<u>3,755</u>

	Educational Operations 2019 £000	Total funds 2019 £000
Staff costs	2,981	2,981
Depreciation	96	96
Examination fees	53	53
Staff development	249	249
Technology costs	21	21
Educational consultancy	46	46
	<u>3,446</u>	<u>3,446</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2020 £000	Total funds 2020 £000
Pension finance cost (note 14)	26	26
Staff costs	723	723
Technology costs	8	8
Recruitment and support	10	10
Maintenance of premises and equipment	61	61
Cleaning	10	10
Rates	29	29
Energy costs	46	46
Insurance	32	32
Professional fees	69	69
Security and transport	5	5
Other support costs	164	164
Governance costs	18	18
	<u>1,201</u>	<u>1,201</u>

HASTINGS HIGH SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Educational Operations 2019 £000	Total funds 2019 £000
Pension finance cost (note 14)	21	21
Staff costs	596	596
Technology costs	14	14
Recruitment and support	8	8
Maintenance of premises and equipment	43	43
Cleaning	7	7
Rates	23	23
Energy costs	44	44
Insurance	30	30
Professional fees	37	37
Security and transport	8	8
Bank interest and charges	1	1
Other support costs	170	170
Governance costs	17	17
	<u>1,019</u>	<u>1,019</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	51	48
Depreciation of tangible fixed assets	109	96
Governance internal audit costs	1	1
Fees paid to auditors for:		
- audit	16	14
- other services	3	3
	<u>170</u>	<u>162</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	2,860	2,694
Social security costs	274	261
Pension costs	804	574
	<u>3,938</u>	<u>3,529</u>
Supply staff costs	15	12
Staff restructuring costs	-	41
Pension finance costs (note 14)	26	21
	<u>3,979</u>	<u>3,603</u>

Staff restructuring costs comprise:

	2020 £000	2019 £000
Redundancy payments	-	32
Severance payments	-	9
	<u>-</u>	<u>41</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019 : £9,335).

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FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff (continued)

c. Staff numbers

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

	2020 No.	2019 No.
Teaching	48	48
Administration and support	44	41
Management	7	7
	<u>99</u>	<u>96</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	44	45
Administration and support	31	26
Management	7	7
	<u>82</u>	<u>78</u>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	-	2
In the band £70,001 - £80,000	2	-
In the band £90,001 - £100,000	-	1
	<u>-</u>	<u>1</u>

The above employees contributed to the Teachers' Pension Scheme. During the year ended 31 August 2020, pension contributions for these members amounted to £35,748 (2019: £36,065).

e. Key management personnel

The Key Management Personnel of the Academy comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £737,948 (2019 £743,735).

HASTINGS HIGH SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£000	£000
Mr N Goforth, Headteacher (Resigned 27 August 2019)	Remuneration	-	90 - 95
	Pension contributions paid	-	10 - 15
Mrs C Hardman, Staff Trustee	Remuneration	50 - 55	45 - 50
	Pension contributions paid	10 - 15	5 - 10
Mrs A Roberts, Staff Trustee	Remuneration	20 - 25	20 - 25
	Pension contributions paid	5 - 10	5 - 10
Mr W Wade, Staff Trustee	Remuneration	45 - 50	30 - 35
	Pension contributions paid	10 - 15	5 - 10
Mrs C Bradley, Co-Headteacher	Remuneration	75 - 80	-
	Pension contributions paid	15 - 20	-
Mr S Shipman, Co-Headteacher	Remuneration	70 - 75	-
	Pension contributions paid	15 - 20	-

During the year ended 31 August 2020, expenses totalling £Nil were reimbursed or paid directly to Trustee (2019 - £Nil).

Other related party transactions involving the Trustees are set out in note 28.

13. 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 2020 was £707 (2019 - £708). The cost of this insurance is included in the total insurance cost.

14. Pension finance cost

	2020	2019
	£000	£000
Interest income on pension scheme assets	40	51
Interest on pension scheme liabilities	(66)	(72)
	(26)	(21)

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Long-term leasehold land and property £000	Furniture and fixtures £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2019	3,877	149	106	4,132
Additions	4	13	6	23
At 31 August 2020	3,881	162	112	4,155
Depreciation				
At 1 September 2019	260	94	62	416
Charge for the year	58	23	28	109
At 31 August 2020	318	117	90	525
Net book value				
At 31 August 2020	3,563	45	22	3,630
At 31 August 2019	3,617	55	44	3,716

Included in long-term leasehold property is long-term leasehold land valued at £1,568,160 (2019 - £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.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	2020	2019
	£000	£000
Due within one year		
Trade debtors	1	1
Other debtors	8	10
Prepayments and accrued income	58	99
	<u>67</u>	<u>110</u>

17. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Other loans	24	21
Trade creditors	-	2
Other taxation and social security	68	67
Other creditors	75	58
Accruals and deferred income	120	311
	<u>287</u>	<u>459</u>

	2020	2019
	£000	£000
Included in the above deferred income		
Deferred income at 1 September 2019	82	62
Resources deferred during the year	72	82
Amounts released from previous periods	(82)	(62)
Deferred income at 31 August 2019	<u>72</u>	<u>82</u>

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 and CIF 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 heating systems and the Capital Improvement Fund for energy efficient lighting and upgrading to energy efficient windows.

Loan is interest free and repayable in instalments.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due after more than one year

	2020	2019
	£000	£000
Other loans	64	86

Included within the above are amounts falling due as follows:

Between two and five years

Other loans	47	66
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Over five years

Other loans	17	20
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The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020	2019
	£000	£000
Other loans	17	20
	17	20

Included within other loans are Salix loans and CIF 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 heating systems and the Capital Improvement Fund for energy efficient lighting and upgrading to energy efficient windows.

Loan is interest free and repayable in instalments.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted funds	63	15	(3)	-	-	75
Restricted general funds						
General Annual Grant (GAG)	110	3,984	(3,972)	(25)	-	97
Other DfE/ESFA grants	-	253	(253)	-	-	-
Pupil Premium	-	109	(109)	-	-	-
Capital grants	51	-	(51)	-	-	-
Local Authority grants	-	73	(73)	-	-	-
Other income	-	204	(204)	-	-	-
Exceptional support costs funding	-	7	(7)	-	-	-
Pension reserve	(1,326)	-	(178)	-	29	(1,475)
	<u>(1,165)</u>	<u>4,630</u>	<u>(4,847)</u>	<u>(25)</u>	<u>29</u>	<u>(1,378)</u>
Restricted fixed asset funds						
Net book value of fixed assets	3,716	-	(109)	23	-	3,630
CIF loan	(40)	-	-	-	-	(40)
Salix loan	(67)	-	-	19	-	(48)
DFC	-	18	-	(17)	-	1
	<u>3,609</u>	<u>18</u>	<u>(109)</u>	<u>25</u>	<u>-</u>	<u>3,543</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Total Restricted funds	2,444	4,648	(4,956)	-	29	2,165
Total funds	2,507	4,663	(4,959)	-	29	2,240

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 2020. Transfers of £19,000 from GAG funding to the restricted fixed asset fund represent Salix loan repayments. Transfer of £6,000 from GAG funding to the restricted fixed asset fund represents 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. Transfer of £17,000 from DFC to Fixed asset NBV represents allocation of funds towards asset additions in the year.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Local authority grants

These funds include High Needs Funding from the Local Authority, pupil premium for looked after children and funding from the Department for Work and Pensions.

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 and CIF loan liability represents amounts which were received as part of the CIF funding received for the purchase of tangible fixed assets.

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19. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Unrestricted funds	38	30	(5)	-	-	63
Restricted general funds						
General Annual Grant (GAG)	87	3,823	(3,791)	(9)	-	110
Other DfE/ESFA grants	-	64	(64)	-	-	-
Pupil Premium	-	116	(116)	-	-	-
Capital grants	26	61	(26)	(10)	-	51
Local Authority grants	-	50	(50)	-	-	-
Other income	-	185	(185)	-	-	-
Pension reserve	(741)	-	(137)	-	(448)	(1,326)
	<u>(628)</u>	<u>4,299</u>	<u>(4,369)</u>	<u>(19)</u>	<u>(448)</u>	<u>(1,165)</u>
Restricted fixed asset funds						
Net book value of fixed assets	3,600	-	(96)	212	-	3,716
CIF loan	-	162	-	(162)	-	-
Salix loan	(86)	-	-	19	-	(67)
CIF loan	-	-	-	(40)	-	(40)
Other income	-	10	-	(10)	-	-
	<u>3,514</u>	<u>172</u>	<u>(96)</u>	<u>19</u>	<u>-</u>	<u>3,609</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Total Restricted funds	2,886	4,471	(4,465)	-	(448)	2,444
Total funds	2,924	4,501	(4,470)	-	(448)	2,507

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	3,630	3,630
Current assets	75	360	1	436
Current liabilities	-	(263)	(24)	(287)
Non-current liabilities	-	-	(64)	(64)
Pension scheme liability	-	(1,475)	-	(1,475)
Total	73	(1,378)	3,543	2,240

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	3,716	3,716
Current assets	63	599	-	662
Current liabilities	-	(438)	(21)	(459)
Non-current liabilities	-	-	(86)	(86)
Pension scheme liability	-	(1,326)	-	(1,326)
Total	63	(1,165)	3,609	2,507

21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £000	2019 £000
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(296)	31
Adjustments for:		
Depreciation charges	109	96
Capital grants from DfE and other capital income	(18)	(172)
Interest received	(1)	(1)
Defined benefit pension scheme cost less contributions payable	152	116
Defined benefit pension scheme finance cost (note 14)	26	21
Decrease/(increase) in debtors	43	(33)
(Decrease)/increase in creditors	(177)	225
Net cash (used in)/provided by operating activities	(162)	283

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Cash flows from financing activities

	2020 £000	2019 £000
Cash inflows from new borrowing	-	40
Repayments of borrowing	(19)	(19)
Net cash (used in)/provided by financing activities	(19)	21

23. Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible fixed assets	(23)	(212)
Capital grants from DfE Group	18	172
Interest received	1	1
Net cash used in investing activities	(4)	(39)

24. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	367	552
Total cash and cash equivalents	367	552

25. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	552	(183)	369
Debt due within 1 year	(21)	(3)	(24)
Debt due after 1 year	(86)	22	(64)
	445	(164)	281

HASTINGS HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments

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

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

Contributions amounting to £75,000 were payable to the schemes at 31 August 2020 (2019 - £58,000) and are included within other creditors.

Teachers' Pension Scheme

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

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

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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £496,000 (2019 - £334,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £194,000 (2019 - £157,000), of which employer's contributions totalled £155,000 (2019 - £126,000) and employees' contributions totalled £ 38,000 (2019 - £31,000). The agreed contribution rates for future years are 24.3% per cent for employers and 5.5% to 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.7	3.3
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums	50.0	50.0

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

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(90)	(89)
Discount rate -0.1%	90	89
Mortality assumption - 1 year increase	150	133
Mortality assumption - 1 year decrease	(150)	(133)
CPI rate +0.1%	77	70
CPI rate -0.1%	(77)	(70)

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

	2020 £000	2019 £000
Equities	1,338	1,159
Corporate bonds	657	619
Property	181	160
Cash	91	60
Total market value of assets	2,267	1,998

The actual return on scheme assets was £100,000 (2019 - £117,000).

The Academy expects to contribute £157,000 to its defined benefit pension scheme in 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2020	2019
	£000	£000
Current service cost	(300)	(197)
Past service cost	(7)	(45)
Interest income	40	51
Interest cost	(66)	(72)
Total amount recognised in the Statement of Financial Activities	(333)	(263)

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

	2020	2019
	£000	£000
At 1 September	3,324	2,477
Current service cost	300	197
Interest cost	66	72
Employee contributions	38	31
Actuarial losses	31	514
Benefits paid	(24)	(12)
Past service costs	7	45
At 31 August	3,742	3,324

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020	2019
	£000	£000
At 1 September	1,998	1,736
Interest income	40	51
Actuarial gains	60	66
Employer contributions	155	126
Employee contributions	38	31
Benefits paid	(24)	(12)
At 31 August	2,267	1,998

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FOR THE YEAR ENDED 31 AUGUST 2020

27. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	13	48
Later than 1 year and not later than 5 years	6	17
Total	19	65

28. Related party transactions

Owing to the nature of the Academy 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.

29. Controlling party

The Academy is ultimately controlled by the members as listed on page 1.

30. Company limited by guarantee

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

31. 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.