

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 12
<b>Governance Statement</b>	13 - 17
<b>Statement on Regularity, Propriety and Compliance</b>	18
<b>Statement of Trustees' Responsibilities</b>	19
<b>Independent Auditor's Report on the Financial Statements</b>	20 - 22
<b>Independent Reporting Accountant's Report on Regularity</b>	23 - 24
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	25
<b>Balance Sheet</b>	26 - 27
<b>Statement of Cash Flows</b>	28
<b>Notes to the Financial Statements</b>	29 - 54

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mr M Fargher Mr D McVean Mr R Barron Mr P Kelby Mr S Ward
<b>Trustees</b>	Mr M Fargher, Chair of Trustees <sup>1</sup> Mr D McVean, Vice Chair of Trustees <sup>1</sup> Mr R Barron <sup>1</sup> Mr P Kelby <sup>1</sup> Mr S Ward <sup>1</sup> Mr S Gordon, Headteacher and Accounting Officer <sup>1</sup> Mr A Dickerson Mrs T Walton <sup>1</sup> Mr G Perkins <sup>1</sup> Mrs A Ward, Staff Trustee (appointed 10 June 2019) Mrs H Buxton, Staff Trustee (appointed 10 June 2019) Mr R Glasspool (appointed 16 July 2019) Mrs N Scott (appointed 24 September 2019) Miss E Davies, Staff Trustee (resigned 23 April 2019) Mrs J Bonas, Staff Trustee (resigned 18 January 2019)
	<sup>1</sup> Members of the Finance, Personnel and Premises Committee
<b>Company registered number</b>	07982740
<b>Company name</b>	Huxlow Science College
<b>Principal and registered office</b>	Huxlow Science College Finedon Road Irthlingborough Northamptonshire NN9 5TY
<b>Company secretary</b>	Mrs H Avey
<b>Senior management team</b>	Mr S Gordon, Headteacher Mrs K Isaksen, Deputy Head Miss C Wood, Deputy Head Miss S Beresford, Strategic Business Manager Mrs H Huchet, Acting Deputy Head (appointed 1 September 2018 to 15 March 2019) Mrs J Holmes, Acting Deputy Head (appointed 1 September 2018 to 15 March 2019)

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**HUXLOW SCIENCE COLLEGE**  
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>Independent auditor</b>	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB
<b>Bankers</b>	Lloyds TSB Market Street Wellingborough Northamptonshire NN8 1AG
<b>Solicitors</b>	Veale Wasbrough Vizards 24 King William Street London EC4R 9AT

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**HUXLOW SCIENCE COLLEGE**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 19 serving a catchment area in East Northamptonshire. It has a pupil capacity of 960 and had a roll of 911 in the school census on 3 October 2019.

**Structure, governance and management**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Trust deed is the primary governing document of the Academy Trust. The Trustees of Huxlow Science College are also the directors of the charitable company for the purposes of company law. The charitable company is known as Huxlow Science College.

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

**Members' liability**

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

**Trustees' indemnities**

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 details of the insurance are given in Note 12.

**Method of recruitment and appointment or election of Trustees**

The Governing Body is responsible for appointing new Academy Trustees except for Parent Governors and Staff Governors who are nominated by their peers, if more are nominated than there are positions available, are elected by a secret ballot of their peers. Due regard is given to skill sets on the recruitment of new Trustees. Academy Trustees are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. The Academy Trustees to retire are those who have served a four year term. The Headteacher shall be treated for all purposes as being an ex officio Governor.

**Policies adopted for the induction and training of Trustees**

The training and induction provided for new Academy Trustees will depend on their experience. All new Academy Trustees receive a minimum induction programme, a tour of the Academy Trust, and are provided with an induction pack which includes The Governors Handbook, relevant policies, the structure of the Trust, and staffing list. All Trustees are registered with Governor Hub where they can access minutes, financial reports, college policies and other relevant information to carry out their roles. All Trustees have access to the National Governance Association (NGA) Learning Link where they can access engaging and interactive learning resources. All new Academy Trustees are given an opportunity to meet with staff and students.

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**Organisational structure**

The management structure of the Academy Trust consists of the Members Board, board of Trustees, the Local Governing Bodies, and the Headteacher (Accounting Officer).

The Governing Body delegates certain responsibilities to key committees, i.e. Finance, Personnel and Premises (which encompasses Health & Safety) and Curriculum and Welfare, and delegates operational matters to the Headteacher (Accounting Officer).

The Academy Trustees are responsible for setting the strategy and general policy, adopting an annual plan and budget, and monitoring the performance of the Academy Trust. The Academy Trustees make major decisions for the Academy Trust especially in relation to capital expenditure and senior staff appointments.

The Senior Leadership Team (SLT) comprises of the Headteacher, 2 Deputy Headteachers and the Strategic Business Manager (who acts as the Chief Financial Officer). These managers control the Academy Trust at an executive level implementing the policies laid down by the Governing Body and reporting back to them. As a group the SLT are responsible for the authorisation of spending within agreed budgets and the appointment of staff in accordance with the agreed structure. Appointments for the SLT always include a Governor and the appointment of a Headteacher and Deputy Headteacher are managed by the Governing Body. Normal spending control is devolved to members of the SLT and designated budget holders in accordance with the agreed authorisation levels set by Trustees.

**Arrangements for setting pay and remuneration of key management personnel**

Remuneration of all staff (including key management personnel) is in line with the Academy's agreed Whole School Pay Policy. The Policy is aligned with the School Teachers Pay and Conditions Document (STPC) and the NJC Agreement for support staff and is reviewed annually. Pay progression is performance related through an annual appraisal process for all staff. The Headteacher's appraisal is conducted by a panel of 3 Governors and an external school improvement advisor.

The Academy's Trustees act in a voluntary capacity and do not receive any remuneration.

The Academy actively consults with employees on matters affecting them which include but is not limited to Personnel policies, Health and Safety policies and Staff Welfare. Staff Unions are included in consultation.

**Trade union facility time**

The Academy Trust had no employees acting as Union Officials during the year, however the Academy does consult with all recognised Trade Unions particularly on all terms and conditions of employment and health and safety matters.

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**Related parties and other connected charities and organisations**

The sixth form operates as part of a three school consortium known as The East Northamptonshire College (TENC) which delivers 16-19 education. TENC finances are administered by Huxlow Science College. The funds are held and reported separately to the main school. As at 31 August 2019 the consortium held reserves of £75,936 (2018 - £25,876) (a third of which belongs to each of the three schools).

The Academy is a member of a soft federation with The Learning for Life Education Trust, which includes 2 junior schools, 2 infant schools and 1 nursery school. Through this group we share educational practice across the entire age range of children in education with the aim of improving outcomes for children.

**Objectives and activities**

**Objects and aims**

The principal object and activity of the charitable company is the operation of Huxlow Science College to provide education for pupils of different abilities between the ages of 11 and 19.

The Academy provides 11-19 education for Irthlingborough, Finedon and surrounding villages and our vision "safe, happy and successful students who go on to become safe, happy and successful adults" underpins our work. At Huxlow every individual is empowered to fulfil their potential through the following values:

- Students and staff feel safe and happy at school;
- Everyone is ambitious and welcomes the challenge of being the best they can;
- High quality teaching challenges every student and develops their creativity, skills and knowledge;
- We grow to meet the needs of our wider community who trust and value the school;
- Students and staff are resilient, reflective, independent and take responsibility for their own performance;
- We foster a love of learning across our entire community;
- We are active and positive members of all our partnerships; and
- We celebrate everyone's successes.

**Objectives, strategies and activities**

The Academy Trust focused on the following key objectives during the year:-

- Continue to raise achievement across the Board so that all students make at least good progress;
- To develop our students so they are emotionally prepared for the ever changing demands of adult life. In particular we aim to develop the whole child in particular their leadership, organisation, resilience, independence and communication skills;
- Finalise the longer term future of the Academy Trust, including changing the age range to enable the Academy Trust to develop in line with future growth;
- To grow our student numbers to approximately 1,100 in 5 years;
- Ensuring the Academy Trust remains financially robust by sound financial planning, good budgetary control, successfully obtaining external funding for projects and forging partnerships with other local schools.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Objectives and activities (continued)**

Strategies for achieving these objectives included:-

- Continuing to improve the quality of teaching with a particular focus on questioning and improving Sixth Form Careers Advice and Guidance (CAG);
- Continue to increase student role with the aim of achieving a further student intake of 180 in Year 7 in September 2020 and maintain the sixth form numbers; and
- Implement a strategic plan so that Huxlow Science College becomes a member of a Trust that provides school improvement, offers financial security and enables Huxlow Science College to be an active member of the Trust thereby utilising its expertise and skillsets.

**Public benefit**

The Academy Trust promotes education for the benefit of the local community of Irthlingborough, Finedon and surrounding villages and offers recreational facilities to local community groups outside of school hours for the benefit of the general public.

Community based projects are also undertaken throughout the year by staff and students which further enhances the public benefit.

The Academy Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. In particular, Governors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report**

**Achievements and performance**

Following a 'Requires Improvement' Ofsted judgement in 2014, Huxlow Science College has improved year on year. In 2016 Ofsted judged the Academy Trust to be 'Good', and performances in 2018 and 2019 have consolidated this.

An excellent curriculum, good teaching by committed staff and a culture of high aspirations ensure students of all abilities achieve well and enjoy their learning. The Academy vision "safe, happy and successful students who go on to become safe, happy and successful adults" underpins every aspect of the Academy's work.

Our students are challenged to aim for the highest expectations they can and are motivated and supported to achieve this. Academic success is hugely important to us and we have a rich history of students of all abilities and from a wide variety of backgrounds fulfilling their potential in all areas of their education. Our success is measured not only by our ever-improving examination results but also by the ever-increasing numbers of families who choose Huxlow Science College to educate their children. Year on year we are seeing record numbers join Year 7 knowing they will be taught well and cared for.

Headline figures reflect the changes introduced by the DfE in respect to accountability for the performance tables. Comparison from year to year is impossible (at Secondary level) due to the nature of the changes introduced. Nonetheless, our students are achieving well with overall performance being at or broadly in line with national performance outcomes.

The successes achieved at Huxlow Science College are the result of effective planning and efficient resourcing.

**Key performance indicators**

The Academy has set out to increase its pupil roll and has maintained a sustained increase over the last four years, growing from 806 pupils in 2017-18 to 911 pupils in October 2019, representing a 13% increase. In September 2018 the Academy Trust admitted its largest ever Year 7 (160 pupils), this was exceeded in 2019 with a Year 7 roll of 186. The Academy has a realistic ambition to achieve a roll of 1,100 in 5 years.

Progress has increased significantly in the last three years, with Progress 8 improving from -0.4 in 2016 to -0.3 in 2017 to 0 in 2018 for best entry. Progress has been consolidated in 2018-19, is close to zero when all results are taken into account.

Earlier identification and bespoke support for the most vulnerable learners has resulted in a significant drop in the number of those students who achieve very little. Ensuring we look after our most vulnerable learners is a core value of Huxlow Science College.

Standards in our specialism are high, as is entry for Triple Science achieving the following GCSE results;

	C+ 2017	4+ 2018	4+ 2019
Biology	80%	71%	75%
Chemistry	85%	84%	70%
Physics	75%	81%	80%

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

Having been a key issue in 2014 Maths has improved year on year and progress is close to significantly positive. This has been achieved by relentlessly challenging any teaching that is less than strong and in a bold recruitment policy to overcome the nationally recognised difficulty in recruiting maths teachers.

	4+ 2017	5+ 2017	4+2018	5+ 2018	4+ 2019	5+2019
Maths GCSE	74%	48%	66%	53%	71%	51%

Language is mostly a core subject at Huxlow Science College, as we recognise the need to broaden our students' cultural experiences.

	2017	2018	2019
% of cohort taking GCSE	77%	71%	73%
% achieving 4+	87%	82%	83%

Our year on year success in languages was highlighted in 2019 with the British Council recognising our French results as being in the top 50 performing schools in the country.

Other subjects areas performed well, including:-

Sport	87% pass rate
Music	100% pass rate
Art	87% pass rate
Food	79% pass rate
Graphics	90% pass rate

The college curriculum ensures that every pupil studies a practical subject at Key Stage 4. This enables pupils to maintain a broad and balanced curriculum at least until the age of 16.

Pupil attendance remains an area of focus, however there was a positive increase during the year, from 94.2% to 94.4%.

Staffing costs are monitored as a percentage of total funding. For the year ended 31 August 2019 staffing costs amounted to 79.3% of total funding compared to a target of 82.0%.

The Academy is in a funding lag situation due to growing student numbers.

Non-government income as a percentage of total income was favourable at 4.7% compared to a target of 4.5% (prior year actual 4.4%).

Full Time Equivalent (FTE) staffing numbers stood at 85.6 FTE compared to the target of 87.9 FTE.

The Pupil / Teacher ratio (at 17.2) was higher than the target of 16.0.

The Academy has a target liquidity of greater than 1 under the "quick ratio" and stood at 4.7 at the year end.

The Academy Trust also monitors its operating surplus or deficit (excluding restricted fixed assets and actuarial gains and losses) as a percentage of non-capital income. For the year ended 31 August 2019 the operating deficit equated to 2.4% of non-capital income (2018 deficit 1.1%).

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

During 2018/19 the Academy continued to focus on environmental indicators to reduce costs and energy consumption through new initiatives. Electricity consumption fell for a fourth consecutive year with a 4.8% reduction. Gas usage also showed a positive downward trend with a reduction of 6.5% compared to 2018/19.

The Academy Trust recruitment methods proved successful during a challenging year with 5 teachers on maternity leave. The Trust is fully staffed for 2019/20 which is a remarkable achievement in light of the national picture for recruitment of teachers.

Staff absences showed an improvement with a 6% reduction in days lost compared to the previous year. Significant improvements were made to self-certified absences through improved support and improved processes within the Academy. The Academy recognises the importance of mental health well-being and is a supporter of the national Time to Change initiatives.

**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 they continue 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 accounting policies.

**Financial review**

Most of the Academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the ESFA/DfE. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, funds are received from various activities carried out to generate funds, such as any running costs of the Academy not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31 August 2019, total revenue expenditure of £4,909,919 (2018 - £4,626,702) (excluding depreciation) is covered by recurrent grant funding from the DfE together, other incoming resources and use of reserves. The excess of expenditure over income for the year (excluding restricted fixed asset funds and actuarial gains and losses) was a deficit of £116,733 (2018 deficit £49,602). During the period our rate of growth is above the norm and the Academy is in a funding lag situation in terms of Government funding. Trustees have made a decision to use a proportion of reserves for years 2017/18 and 2018/19 to fund the growth of the Trust which included the development of specialist facilities to enhance the curriculum offer to pupils.

At 31 August 2019 the net book value of fixed assets was £7,733,774 (2018 - £7,814,864) and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review (continued)**

The Local Government Pension Scheme for the Academy has a deficit which is detailed in Note 25 to the financial statements.

**Reserves policy**

The Trust's policy on reserves is to hold a suitable level of reserves to ensure the stability of the College's organisational operations in what is becoming a less certain economic funding environment. The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £109,573 (2018 - £87,237). The Academy intends to continue building up free reserves as required.

Included within restricted funds at 31 August 2019 is the Local Government Pension Scheme deficit of £1,813,000 (2018 - £1,119,000). The pension deficit is viewed as long term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

At 31 August 2019 the total funds comprised:

	£
Unrestricted	109,573
Restricted:	
Fixed asset funds	7,733,774
Pension reserve	(1,813,000)
Other	520,842
	<u>6,551,189</u>

**Investment policy**

The Trust's investment policy is to invest surplus cash reserves with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested. Investments can only be made with the approval of Governors.

**Principal risks and uncertainties**

The Academy Trustees have assessed the major risks to which Huxlow Science College is exposed, in particular, those related to the specific teaching, provision of facilities and other operational areas of the college, and its finances. The risks are contained in the Risk Register, which is compiled and reviewed regularly by the Senior Leadership Team and the Academy Trustees.

The Academy has a significant issue relating to the condition and capacity of its electricity supply capacity which has the potential to limit capacity and resilience. Funding bids and a programme of electrical works are being developed to address this issue.

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review (continued)**

Finances for 2019/20 are stable however a continuing major risk surrounds the uncertainty of future funding and reductions in funding. A number of funding scenarios have been considered and recurrent expenditure has been planned on the minimum likely funding. Any funding above this level is only assigned to non-recurrent expenditure. A 3 year business plan has been drawn up to test the robustness of future finances.

Recruitment and retention of teaching staff remains a key risk due to the national shortage of teachers and lack of teachers in key subject areas. This results in additional costs in terms of recruiting, securing and retaining staff.

The capability of the college buildings and its small site area continue to be a real challenge in an ever growing community. This represents a key risk for the college in the long term. A long term development plan has been established together with dialogue with other local partners.

The college has an effective system of internal controls and this is explained in more detail in the Governance Statement.

The college has set clear improvement priorities to address its key risks.

**Fundraising**

The Academy Trust does not currently employ professional fundraisers or have a subsidiary trading company. Current fundraising is carried out with internal staff for specific capital projects and student projects which are included in the Trust's development plan. Our Parent Teacher and Friends Association (PTFA), is a separate organisation set up in July 2018 by our parents, and will continue to contribute to future fundraising projects. The PTFA is a registered charity in its own right.

Our fundraising arrangements:

- fully comply with relevant legal requirements; and
- are in our Trust's best interests because:-
  - appropriate due diligence is undertaken;
  - our fundraising values and expectations are communicated;
  - the costs are justifiable and can be explained;
  - proper control is kept of the money raised;
  - the fundraising communications to be used are reviewed;
  - compliance with the agreement is monitored; and
  - any conflicts of interest are recognised.

**Plans for future periods**

Huxlow Science College will continue to target improvements in performance and levels of progress in all subjects to enable a longer-term goal to move from a good to an outstanding Ofsted rating. Developing the whole child remains a key focus to enable pupils to have the best possible outcomes in life.

Key areas for development relate to attendance management, pupil achievement for all students by continuing to improve teaching and learning as well as the quality of leadership and management.

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Plans for future periods (continued)**

The College has ambitions to increase student roll further. Student numbers currently sit at 911 and the Academy has ambitions to have 1,100 by 2024.

Progress 8 has improved in recent years and being judged as average in 2018 and 2019. A key area for improvement is to move this measure to above average.

Progress in Maths has improved steadily in recent years and is now above average. Improving English results so they are in line with Maths is a key priority.

In 2019 the Academy closed the progress gap considerably between boys and girls. An important goal going forward is to close the gap between those students who are disadvantaged and those who are not.

Sixth form value added, having improved in recent years, dropped in 2019 and the Academy is working towards improving this area for 2020.

The college recognises and welcomes the need to collaborate with other Academy Trusts. We are currently investigating collaboration with Trust(s) that will improve us, with the ambition to build a larger and stronger organisation across the Trust(s). We have considerable experience of supporting local schools at senior and Governor level and wish to utilise these skills in whichever Trust we join. The Academy Trustees continue to provide significant leadership resource, advice and support to other local Trusts to help them make improvements to their provision.

**Funds held as custodian on behalf of others**

The Trust manages the finances and holds the reserves for The East Northamptonshire College, of which The Trust is a member of. The funds are held and reported separately to the main school. As at 31 August 2019 the consortium held reserves of £75,936 (a third of which belongs to each of the three member schools).

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 17 December 2019 and signed on its behalf by:

.....  
Mr M Fargher  
Chair of Trustees

## **GOVERNANCE STATEMENT**

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### **Scope of responsibility**

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

The board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Huxlow Science College 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 Academy has a strong board of Trustees with a broad range of skilled and experienced Trustees who support and challenge the Senior Leadership Team (SLT). This has enabled improvements to be implemented in year and the school to be well placed to meet the short and medium term challenges ahead.

Newly appointed Academy Trustees have undergone training and are now actively involved in supporting the Academy Trust in their areas of their expertise. Succession management is in place to ensure continuity of strategic leadership.

The Governing Body has carried out a skills and training audit and this will continue to be used to identify areas of expertise and experience when future positions arise. This insight has been used in-year to focus Governor training activities. The audit showed skill gaps in HR and Estate Management, as we have an HR manager this area is covered, and should expertise be required in Estate Management external agencies would be used. There are currently no governor vacancies.

There is a high level of experience and accreditation on the Governing Body.

Through the continued depth of engagement and appropriate challenge, Academy Trustees have directly supported the SLT to achieve successful outcomes for our young people. The board of Trustees continue to drive further improvements to sustain the changes made and make provision even stronger. In year the board of Trustees has focused on short/medium term financial constraints to ensure that the school is prepared for the financial challenges ahead.

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

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 seven 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
Mr M Fargher, appointed Chair 24 September 2019	7	7
Mr D McVean, appointed Vice Chair on 24 September 2019	5	7
Mr R Barron	3	7
Mr S Ward	7	7
Mr P Kelby	5	7
Mr S Gordon, Headteacher and Accounting Officer	7	7
Mr A Dickerson	6	7
Mrs T Walton	3	7
Mr G Perkins	5	7
Mrs A Ward (appointed 10 June 2019)	1	1
Mrs H Buxton (appointed 10 June 2019)	1	1
Mr R Glasspool (appointed 16 July 2019)	1	1
Miss E Davies (resigned 23 April 2019)	2	5
Mrs J Bonas (resigned 18 January 2019)	3	3

The Finance, Personnel and Premises Committee is a sub-committee of the main board of Trustees. Its purpose is to:

- Finance – to act as Audit committee for the Academy Trust and to consider aspects of financial planning and performance, to be fully informed about all financial matters and monitor budgets throughout the academic year.
- Personnel – to develop, review and oversee all staff related tasks associated with the Academy Trust.
- Premises – to plan, support and guide premises, and Health & Safety related tasks for the Academy Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Fargher	7	7
Mr D McVean	3	7
Mr R Barron	5	7
Mr S Ward	3	7
Mr P Kelby (Chair of FP & P Committee)	5	7
Mr S Gordon, Headteacher & Accounting Officer	7	7
Mrs T Walton	5	7
Mr G Perkins	4	7
Miss S Beresford (Strategic Business Manager)	6	7



**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

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

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

- **Educational Outcomes**  
The Academy supports the social, emotional and Academic growth of students through the delivery of an appropriate curriculum by experienced and skilled staff. The Academy recognises the benefit of students acquiring independence skills, and as a result pupils are encouraged to develop abilities which will stand them in good stead throughout their lives within their chosen communities. This development of the "whole child" will continue to be a key strategic focus for the future.
- **Better Purchasing**  
Trustees have a strong oversight of financial governance and challenge decisions made on their effectiveness to ensure value for money is achieved. Larger value purchases are subject to tendering and approval by the governing body. Procurement savings have been achieved through a review of major premises contracts due for renewal which has resulted savings of in excess of £38k per annum, including an £18k annual saving on insurance costs through re-tendering. This process of continual review of major contracts is carried on an ongoing basis in conjunction with another local secondary Academy in order to achieve greater savings. Purchasing frameworks are utilised where these result in savings and / or an improved service.
- **Income Generation**  
The Academy explores every opportunity to generate income through the use of facilities and assets. Investment in a new dance facility during 2018-19, costing £128k, has enabled the Academy to offer an enhanced curriculum and attract additional students as well as providing a community facility for hire. It is expected the additional income generated from the facility in terms of additional student income and hiring will enable the Project to pay back within 4 years.

During the year the Academy was successful in securing external funding totalling £15k from the East Northamptonshire Community fund (dance studio) and the Finedon Educational Charity for curriculum equipment and specific student support.

The Academy has undertaken a marketing drive to increase use of its facilities for community use. Historically few community groups used the Academy's facilities however there has been a 400% increase in lettings during the year. Work will continue in the future to increase this further.

**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 Huxlow Science College for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**GOVERNANCE STATEMENT (CONTINUED)**

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**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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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.

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have arranged for a peer financial audit to be carried out with a local Academy Trust, The Ferrers.

On an annual basis, the reviewer reports to the board of Trustees through the finance, personnel and premises committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. The schedule of audit work was delivered as planned. No issues were found requiring attention.

The peer reviewer'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 and expense systems;
- testing of income;
- testing of control account/ bank reconciliations; and
- efficiency culture.

On an annual basis, the reviewer reports to the board of Trustees, through the Finance Personnel and Premises Committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities. The schedule of audit work was delivered as planned. No issues were found requiring immediate attention however an action plan is being developed to address minor audit recommendations.

**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

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

- the work of the Peer reviewer;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the , Personnel and Premises 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 and signed on their behalf by:

.....  
**Mr M Fargher**  
Chair of Trustees

.....  
**Mr S Gordon**  
Accounting Officer

Date: 17 December 2019

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Huxlow Science College I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I 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 2018.

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

.....  
**Mr S Gordon**  
Accounting Officer  
Date:

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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:

.....  
**Mr M Fargher**  
Chair of Trustees  
Date: 17 December 2019

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HUXLOW SCIENCE COLLEGE**

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**Opinion**

We have audited the financial statements of Huxlow Science College (the 'academy trust') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust 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 Trust'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.

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HUXLOW SCIENCE COLLEGE (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities 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 Strategic Report and the Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- adequate accounting records have not been kept, 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.

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HUXLOW SCIENCE COLLEGE (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

Elaine Olson-Williams FCCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditors

Peterbridge House

The Lakes

Northampton

NN4 7HB

Date:



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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HUXLOW SCIENCE COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 26 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Huxlow Science College during the year 1 September 2018 to 31 August 2019 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 Huxlow Science College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Huxlow Science College 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 Huxlow Science College and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Huxlow Science College's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Huxlow Science College's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HUXLOW SCIENCE COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

**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 2018 to 31 August 2019 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**

Chartered Accountants  
Statutory Auditors  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date:

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	4,630	8,743	74,374	87,747	35,184
Charitable activities	4	-	4,576,978	-	4,576,978	4,334,607
Other trading activities	5	23,076	181,872	-	204,948	178,813
Investments	6	3,578	-	-	3,578	3,834
<b>Total income</b>		<b>31,284</b>	<b>4,767,593</b>	<b>74,374</b>	<b>4,873,251</b>	<b>4,552,438</b>
<b>Expenditure on:</b>						
Raising funds		8,948	181,872	-	190,820	166,813
Charitable activities		-	4,718,029	330,225	5,048,254	4,773,489
<b>Total expenditure</b>	7	<b>8,948</b>	<b>4,899,901</b>	<b>330,225</b>	<b>5,239,074</b>	<b>4,940,302</b>
<b>Net income/ (expenditure)</b>		<b>22,336</b>	<b>(132,308)</b>	<b>(255,851)</b>	<b>(365,823)</b>	<b>(387,864)</b>
Transfers between funds	18	-	(174,761)	174,761	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>22,336</b>	<b>(307,069)</b>	<b>(81,090)</b>	<b>(365,823)</b>	<b>(387,864)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(526,000)	-	(526,000)	253,000
<b>Net movement in funds</b>		<b>22,336</b>	<b>(833,069)</b>	<b>(81,090)</b>	<b>(891,823)</b>	<b>(134,864)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		87,237	(459,089)	7,814,864	7,443,012	7,577,876
Net movement in funds		22,336	(833,069)	(81,090)	(891,823)	(134,864)
<b>Total funds carried forward</b>		<b>109,573</b>	<b>(1,292,158)</b>	<b>7,733,774</b>	<b>6,551,189</b>	<b>7,443,012</b>

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

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07982740**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	7,733,774	7,814,864
<b>Current assets</b>			
Stocks	14	7,090	7,090
Debtors	15	115,404	108,996
Cash at bank and in hand		764,563	917,520
		<u>887,057</u>	<u>1,033,606</u>
Creditors: amounts falling due within one year	16	(246,687)	(275,508)
<b>Net current assets</b>		<u>640,370</u>	<u>758,098</u>
<b>Total assets less current liabilities</b>		<u>8,374,144</u>	<u>8,572,962</u>
Creditors: amounts falling due after more than one year	17	(9,955)	(10,950)
<b>Net assets excluding pension liability</b>		<u>8,364,189</u>	<u>8,562,012</u>
Defined benefit pension scheme liability	25	(1,813,000)	(1,119,000)
<b>Total net assets</b>		<u><u>6,551,189</u></u>	<u><u>7,443,012</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	7,733,774	7,814,864
Restricted income funds	18	520,842	659,911
Restricted funds excluding pension asset	18	8,254,616	8,474,775
Pension reserve	18	(1,813,000)	(1,119,000)
<b>Total restricted funds</b>	18	<u>6,441,616</u>	<u>7,355,775</u>
<b>Unrestricted income funds</b>	18	<u>109,573</u>	<u>87,237</u>
<b>Total funds</b>		<u><u>6,551,189</u></u>	<u><u>7,443,012</u></u>

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements on pages 25 to 54 were approved by the Trustees, and authorised for issue on 17 December 2019 and are signed on their behalf, by:

.....  
**Mr M Fargher**  
Chair of Trustees

The notes on pages 29 to 54 form part of these financial statements.

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019</b> £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<b>34,943</b>	29,553
<b>Cash flows from investing activities</b>	22	<b>(171,184)</b>	(113,973)
<b>Cash flows from financing activities</b>	21	<b>(16,716)</b>	(1,991)
<b>Change in cash and cash equivalents in the year</b>		<b>(152,957)</b>	(86,411)
Cash and cash equivalents at the beginning of the year		<b>917,520</b>	1,003,931
<b>Cash and cash equivalents at the end of the year</b>	23	<b>764,563</b>	917,520

The notes on pages 29 to 54 from part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 Trust, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Huxlow Science College meets the definition of a public benefit entity under FRS 102.

**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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

• **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

**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 Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.6 Taxation**

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

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

**1.7 Tangible fixed assets**

Assets costing £1,000 (£100 for computer equipment) 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, 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:

Leasehold Land and buildings	- 0.8% to 10% straight line
Leasehold Improvements	- 10% straight line
Furniture and Equipment	- 20% to 33% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 20% straight line

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.

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.9 Debtors**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.10 Cash at bank and in hand**

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

**1.11 Liabilities**

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

**1.12 Provisions**

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

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

**1.13 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.14 Operating leases**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.15 Pensions**

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

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

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

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

**1.16 Agency arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 29.

**1.17 Fund accounting**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2019. 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.

**3. Income from donations and capital grants**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Donations	4,630	8,743	-	<b>13,373</b>	6,459
Capital Grants	-	-	74,374	<b>74,374</b>	28,725
	<u>4,630</u>	<u>8,743</u>	<u>74,374</u>	<u><b>87,747</b></u>	<u>35,184</u>
Total 2018	<u>1,927</u>	<u>4,532</u>	<u>28,725</u>	<u>35,184</u>	

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**4. Funding for the Academy Trust's educational operations**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	4,227,755	<b>4,227,755</b>	4,004,028
Other DfE/ESFA grants	258,033	<b>258,033</b>	238,308
	<u>4,485,788</u>	<u><b>4,485,788</b></u>	<u>4,242,336</u>
<b>Other government grants</b>			
Local authority grants	72,338	<b>72,338</b>	77,091
	<u>72,338</u>	<u><b>72,338</b></u>	<u>77,091</u>
<b>Other funding</b>			
Other grants	18,852	<b>18,852</b>	15,180
	<u>18,852</u>	<u><b>18,852</b></u>	<u>15,180</u>
	<u>4,576,978</u>	<u><b>4,576,978</b></u>	<u>4,334,607</u>

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Rental income / hire of facilities	18,087	-	<b>18,087</b>	8,919
Trip income	-	79,380	<b>79,380</b>	75,655
Catering	-	85,455	<b>85,455</b>	75,615
Other income	4,989	17,037	<b>22,026</b>	18,624
	<u>23,076</u>	<u>181,872</u>	<u><b>204,948</b></u>	<u>178,813</u>
Total 2018	<u>6,584</u>	<u>172,229</u>	<u>178,813</u>	

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	Total funds 2018 £
Bank interest received	3,578	<b>3,578</b>	3,834

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	Total 2018 £
Expenditure on raising voluntary income:					
Direct costs	-	-	2,841	<b>2,841</b>	200
Expenditure on fundraising trading activities:					
Direct costs	77,305	-	110,674	<b>187,979</b>	166,613
Educational operations:					
Direct costs	3,341,036	-	314,552	<b>3,655,588</b>	3,413,823
Allocated support costs	587,737	509,403	295,526	<b>1,392,666</b>	1,359,666
	<u>4,006,078</u>	<u>509,403</u>	<u>723,593</u>	<u><b>5,239,074</b></u>	<u>4,940,302</u>
Total 2018	<u>3,766,496</u>	<u>470,444</u>	<u>703,362</u>	<u>4,940,302</u>	

Net expenditure for the year includes:

	<b>2019 £</b>	2018 £
Operating lease rentals	<b>11,086</b>	11,324
Depreciation	<b>329,155</b>	313,600
Loss on disposal of fixed assets	<b>1,072</b>	-
Fees payable to auditor for:		
- audit	<b>9,000</b>	9,000
- other services	<b>6,432</b>	6,691

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of specific expenses**

Included within expenditure are the following transactions:

	<b>Total</b>	<b>Individual items above £5,000</b>	
	<b>£</b>	<b>Amount</b>	<b>Reason</b>
		<b>£</b>	
Fixed asset losses	<b>1,070</b>	-	

**9. Charitable activities**

	<b>Activities</b>	<b>Support</b>	<b>Total</b>	<b>Total</b>
	<b>undertaken</b>	<b>costs</b>	<b>funds</b>	<b>funds</b>
	<b>directly</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Educational operations	3,655,588	1,392,666	<b>5,048,254</b>	4,773,489
Total 2018	<u>3,413,823</u>	<u>1,359,666</u>	<u>4,773,489</u>	

**Analysis of support costs**

	<b>Educational</b>	<b>Total</b>	<b>Total</b>
	<b>operations</b>	<b>funds</b>	<b>funds</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
LGPS pension costs	33,000	<b>33,000</b>	32,000
Staff costs	587,737	<b>587,737</b>	640,560
Depreciation	329,155	<b>329,155</b>	313,600
Premises costs	180,250	<b>180,250</b>	156,844
Governance costs	15,960	<b>15,960</b>	17,042
Profit/(loss) on disposal of fixed assets	1,070	<b>1,070</b>	-
Other support costs	245,494	<b>245,494</b>	199,620
	<u>1,392,666</u>	<u><b>1,392,666</b></u>	<u>1,359,666</u>

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	2018
	£	£
Wages and salaries	<b>2,933,660</b>	2,887,067
Social security costs	<b>277,755</b>	268,781
Pension costs	<b>633,877</b>	599,083
	<b>3,845,292</b>	3,754,931
Agency staff costs	<b>160,786</b>	11,565
	<b>4,006,078</b>	3,766,496

**b. Staff numbers**

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

	<b>2019</b>	2018
	No.	No.
Teachers	<b>48</b>	49
Administration	<b>13</b>	14
Support	<b>50</b>	54
Management	<b>4</b>	4
	<b>115</b>	121

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	2018
	No.	No.
Teachers	<b>47.1</b>	46.5
Administration	<b>8.2</b>	8.8
Support	<b>26.5</b>	26.3
Management	<b>3.9</b>	4.0
	<b>85.7</b>	85.6



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**10. Staff costs (continued)**

**c. Higher paid staff**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>2</b>	1
In the band £70,001 - £80,000	<b>1</b>	1
In the band £80,001 - £90,000	<b>1</b>	1
	<u><u>          </u></u>	<u><u>          </u></u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £46,771 (2018 - £36,889).

**d. 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 trust was £430,471 (2018 - £399,920).

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**11. Trustees' remuneration and expenses**

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

		<b>2019</b>	2018
		<b>£</b>	<b>£</b>
Mr S Gordon, Headteacher & Accounting Officer	Remuneration	<b>85,000 - 90,000</b>	80,000 - 85,000
	Pension contributions paid	<b>10,000 - 15,000</b>	10,000 - 15,000
Mrs A Ward, Staff Trustee (appointed 10 June 2019)	Remuneration	<b>5,000 - 10,000</b>	N/A
	Pension contributions paid	<b>0 - 5,000</b>	N/A
Mrs H Buxton, Staff Trustee (appointed 10 June 2019)	Remuneration	<b>0 - 5,000</b>	N/A
	Pension contributions paid	<b>0 - 5,000</b>	N/A
Mrs J Bonas, Staff Trustee (resigned 18 January 2019)	Remuneration	<b>5,000 - 10,000</b>	10,000 - 15,000
	Pension contributions paid	<b>0 - 5,000</b>	0 - 5,000
Miss E Davies, Staff Trustee (resigned 23 April 2019)	Remuneration	<b>15,000 - 20,000</b>	10,000 - 15,000
	Pension contributions paid	<b>0 - 5,000</b>	0 - 5,000
Mr L Venn, Staff trustee (resigned 8 January 2018)	Remuneration	<b>N/A</b>	5,000 - 10,000
	Pension contributions paid	<b>N/A</b>	0 - 5,000
Miss R Moss	Remuneration	<b>N/A</b>	0 - 5,000
	Pension contributions paid	<b>N/A</b>	0 - 5,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**12. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £160 (2018 - £144). The cost of this insurance is included in the total insurance cost.

**HUXLOW SCIENCE COLLEGE**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**13. Tangible fixed assets**

	Leasehold land and buildings £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 September 2018	8,519,445	504,683	213,723	561,746	14,590	9,814,187
Additions	-	154,366	13,327	81,443	-	249,136
Disposals	-	-	(5,845)	(48,738)	-	(54,583)
At 31 August 2019	<u>8,519,445</u>	<u>659,049</u>	<u>221,205</u>	<u>594,451</u>	<u>14,590</u>	<u>10,008,740</u>
<b>Depreciation</b>						
At 1 September 2018	1,192,777	173,534	161,156	457,266	14,590	1,999,323
Charge for the year	186,018	59,534	18,326	65,277	-	329,155
On disposals	-	-	(4,865)	(48,647)	-	(53,512)
At 31 August 2019	<u>1,378,795</u>	<u>233,068</u>	<u>174,617</u>	<u>473,896</u>	<u>14,590</u>	<u>2,274,966</u>
<b>Net book value</b>						
At 31 August 2019	<u><u>7,140,650</u></u>	<u><u>425,981</u></u>	<u><u>46,588</u></u>	<u><u>120,555</u></u>	<u><u>-</u></u>	<u><u>7,733,774</u></u>
At 31 August 2018	<u><u>7,326,668</u></u>	<u><u>331,149</u></u>	<u><u>52,567</u></u>	<u><u>104,480</u></u>	<u><u>-</u></u>	<u><u>7,814,864</u></u>

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**14. Stocks**

	<b>2019</b>	2018
	£	£
Finished goods and goods for resale	<b>7,090</b>	7,090

**15. Debtors**

	<b>2019</b>	2018
	£	£
Trade debtors	<b>2,325</b>	3,491
Other debtors	<b>11,905</b>	5,825
Prepayments and accrued income	<b>101,174</b>	99,680
	<b>115,404</b>	108,996

**16. Creditors: Amounts falling due within one year**

	<b>2019</b>	2018
	£	£
Other loans	<b>1,991</b>	17,712
Trade creditors	<b>97,914</b>	97,176
Other taxation and social security	<b>71,355</b>	64,456
Other creditors	<b>733</b>	117
Accruals and deferred income	<b>74,694</b>	96,047
	<b>246,687</b>	275,508
	<b>2019</b>	2018
	£	£
Deferred income at 1 September 2018	<b>21,694</b>	38,594
Resources deferred during the year	<b>9,688</b>	21,694
Amounts released from previous periods	<b>(21,694)</b>	(38,594)
	<b>9,688</b>	21,694

Deferred income relates to funding received in advance, trip contributions from parents, catering income and fundraising income.

Other loans are Salix loans.

**HUXLOW SCIENCE COLLEGE**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**17. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Other loans	<u>9,955</u>	<u>10,950</u>

Other loans are Salix loans.

**18. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General unrestricted funds	<u>87,237</u>	<u>31,284</u>	<u>(8,948)</u>	-	-	<u>109,573</u>
<b>Restricted general funds</b>						
Transfer from LA	159,275	-	(25,000)	(38,802)	-	95,473
General annual grant (GAG)	401,847	4,227,755	(4,165,012)	(152,674)	-	311,916
Pupil premium	70,671	208,097	(202,136)	-	-	76,632
Other DfE/ESFA grants	33,780	74,466	(74,085)	-	-	34,161
Local authority grants	-	47,808	(47,808)	-	-	-
Miscellaneous restricted	22,999	209,467	(217,860)	-	-	14,606
Salix loans	(28,661)	-	-	16,715	-	(11,946)
Pension reserve	(1,119,000)	-	(168,000)	-	(526,000)	(1,813,000)
	<u>(459,089)</u>	<u>4,767,593</u>	<u>(4,899,901)</u>	<u>(174,761)</u>	<u>(526,000)</u>	<u>(1,292,158)</u>

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Restricted fixed asset funds</b>						
Transfer from LA	7,409,949	-	(228,907)	-	-	7,181,042
ESFA capital grants - unspent	-	61,818	-	(61,818)	-	-
Other capital grants - unspent	-	12,556	-	(12,556)	-	-
ESFA capital grants - spent	123,937	-	(66,318)	61,818	-	119,437
Other capital grants - spent	19,286	-	(5,000)	36,633	-	50,919
Capital expenditure from GAG	261,692	-	(30,000)	150,684	-	382,376
	<u>7,814,864</u>	<u>74,374</u>	<u>(330,225)</u>	<u>174,761</u>	<u>-</u>	<u>7,733,774</u>
<b>Total Restricted funds</b>	<u>7,355,775</u>	<u>4,841,967</u>	<u>(5,230,126)</u>	<u>-</u>	<u>(526,000)</u>	<u>6,441,616</u>
<b>Total funds</b>	<u><u>7,443,012</u></u>	<u><u>4,873,251</u></u>	<u><u>(5,239,074)</u></u>	<u><u>-</u></u>	<u><u>(526,000)</u></u>	<u><u>6,551,189</u></u>

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

Restricted general funds will be used for educational purposes in line with the Academy's objectives and its funding agreement with the ESFA.

Restricted funds totalling £7,733,774 will be reserved against future depreciation charges.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General unrestricted funds	75,092	12,345	(200)	-	-	87,237
<b>Restricted general funds</b>						
Transfer from LA	161,266	-	-	(1,991)	-	159,275
General annual grant (GAG)	455,371	4,004,028	(3,945,939)	(111,613)	-	401,847
Pupil premium	79,584	206,601	(215,514)	-	-	70,671
Other DfE/ESFA grants	19,281	51,645	(37,146)	-	-	33,780
Local authority grants	13,641	55,155	(68,796)	-	-	-
Miscellaneous restricted	23,167	193,939	(194,107)	-	-	22,999
Salix loans	(30,652)	-	-	1,991	-	(28,661)
Pension reserve	(1,207,000)	-	(165,000)	-	253,000	(1,119,000)
	<u>(485,342)</u>	<u>4,511,368</u>	<u>(4,626,502)</u>	<u>(111,613)</u>	<u>253,000</u>	<u>(459,089)</u>

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Statement of funds (continued)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Restricted fixed asset funds</b>						
Transfer from LA	7,626,101	-	(216,152)	-	-	7,409,949
Other capital grants - unspent	6,194	-	-	(6,194)	-	-
ESFA capital grants - spent	136,212	28,725	(41,000)	-	-	123,937
Other capital grants - spent	19,540	-	(6,448)	6,194	-	19,286
Capital expenditure from GAG	200,079	-	(50,000)	111,613	-	261,692
	<u>7,988,126</u>	<u>28,725</u>	<u>(313,600)</u>	<u>111,613</u>	<u>-</u>	<u>7,814,864</u>
<b>Total Restricted funds</b>	<u>7,502,784</u>	<u>4,540,093</u>	<u>(4,940,102)</u>	<u>-</u>	<u>253,000</u>	<u>7,355,775</u>
<b>Total funds</b>	<u><u>7,577,876</u></u>	<u><u>4,552,438</u></u>	<u><u>(4,940,302)</u></u>	<u><u>-</u></u>	<u><u>253,000</u></u>	<u><u>7,443,012</u></u>



**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,733,774	7,733,774
Current assets	109,573	777,484	-	887,057
Creditors due within one year	-	(246,687)	-	(246,687)
Creditors due in more than one year	-	(9,955)	-	(9,955)
Provisions for liabilities and charges	-	(1,813,000)	-	(1,813,000)
<b>Total</b>	<b>109,573</b>	<b>(1,292,158)</b>	<b>7,733,774</b>	<b>6,551,189</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,814,864	7,814,864
Current assets	87,237	946,369	-	1,033,606
Creditors due within one year	-	(275,508)	-	(275,508)
Creditors due in more than one year	-	(10,950)	-	(10,950)
Provisions for liabilities and charges	-	(1,119,000)	-	(1,119,000)
<b>Total</b>	<b>87,237</b>	<b>(459,089)</b>	<b>7,814,864</b>	<b>7,443,012</b>

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**20. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(365,823)</b>	(387,864)
<b>Adjustments for:</b>		
Depreciation	<b>329,155</b>	313,600
Capital grants from DfE and other capital income	<b>(74,375)</b>	(28,725)
Interest receivable	<b>(3,578)</b>	(3,834)
Defined benefit pension scheme cost less contributions payable	<b>135,000</b>	133,000
Defined benefit pension scheme finance cost	<b>33,000</b>	32,000
(Increase)/decrease in debtors	<b>(6,408)</b>	5,497
Decrease in creditors	<b>(13,100)</b>	(34,121)
Loss on disposal of fixed assets	<b>1,072</b>	-
<b>Net cash provided by operating activities</b>	<b>34,943</b>	29,553

**21. Cash flows from financing activities**

	2019 £	2018 £
Repayments of borrowing	<b>(16,716)</b>	(1,991)
<b>Net cash used in financing activities</b>	<b>(16,716)</b>	(1,991)

**22. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>3,578</b>	3,834
Purchase of tangible fixed assets	<b>(249,136)</b>	(146,532)
Capital grants from DfE Group	<b>74,374</b>	28,725
<b>Net cash used in investing activities</b>	<b>(171,184)</b>	(113,973)

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**23. Analysis of cash and cash equivalents**

	<b>2019</b>	2018
	£	£
Cash in hand	<b>764,563</b>	917,520

**24. Capital commitments**

	<b>2019</b>	2018
	£	£
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	102,589

**25. Pension commitments**

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

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

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

**Teachers' Pension Scheme**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**25. Pension commitments (continued)**

**The Teachers' Pension Budgeting and Valuation Account**

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

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

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

**Scheme Changes**

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

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

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £331,811 (2018 - £309,455).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**25. Pension commitments (continued)**

**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 2019 was £212,000 (2018 - £200,000), of which employer's contributions totalled £168,000 (2018 - £159,000) and employees' contributions totalled £44,000 (2018 - £41,000). The agreed contribution rates for future years are 23.6 per cent for employers and 5.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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**

	<b>2019</b>	2018
	%	%
Rate of increase in salaries	<b>2.6</b>	2.7
Rate of increase for pensions in payment/inflation	<b>2.3</b>	2.4
Discount rate for scheme liabilities	<b>1.8</b>	2.8
Inflation assumption (CPI)	<b>1.8</b>	2.8

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

	<b>2019</b>	2018
	Years	Years
<i>Retiring today</i>		
Males	<b>21.2</b>	22.1
Females	<b>22.3</b>	24.2
<i>Retiring in 20 years</i>		
Males	<b>22.3</b>	23.9
Females	<b>24.7</b>	26.1

**Sensitivity analysis**

	<b>2019</b>	2018
	£	£
0.5% decrease in the Real Discount Rate	<b>490,000</b>	352,000
0.5% increase in the Salary Increase Rate	<b>51,000</b>	43,000
0.5% increase in the Pension Increase Rate	<b>430,000</b>	305,000

**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**25. Pension commitments (continued)**

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

	2019 £	2018 £
Equities	1,502,000	1,344,000
Corporate bonds	355,000	272,000
Property	188,000	145,000
Cash and other liquid assets	41,000	55,000
<b>Total market value of assets</b>	<b>2,086,000</b>	<b>1,816,000</b>

The actual return on scheme assets was £94,000 (2018 - £88,000).

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

	2019 £	2018 £
Current service cost	(291,000)	(292,000)
Past service cost	(12,000)	-
Interest income	53,000	41,000
Interest cost	(86,000)	(73,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(336,000)</b>	<b>(324,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>2,935,000</b>	<b>2,770,000</b>
Interest cost	86,000	73,000
Employee contributions	44,000	41,000
Actuarial losses/(gains)	567,000	(206,000)
Benefits paid	(36,000)	(35,000)
Past service costs	12,000	-
Current service costs	291,000	292,000
<b>At 31 August</b>	<b>3,899,000</b>	<b>2,935,000</b>

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**HUXLOW SCIENCE COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**25. Pension commitments (continued)**

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

	<b>2019</b>	2018
	£	£
<b>At 1 September</b>	<b>1,816,000</b>	1,563,000
Interest income	<b>53,000</b>	41,000
Actuarial gains	<b>41,000</b>	47,000
Employer contributions	<b>168,000</b>	159,000
Employee contributions	<b>44,000</b>	41,000
Benefits paid	<b>(36,000)</b>	(35,000)
<b>At 31 August</b>	<b>2,086,000</b>	1,816,000

**26. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2019</b>	2018
	£	£
Not later than 1 year	<b>7,544</b>	8,628
Later than 1 year and not later than 5 years	<b>537</b>	6,471
	<b>8,081</b>	15,099

**27. 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**28. Related party transactions**

Owing to the nature of the Academy Trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The wife of the Chair of Governors, Mr M Fargher, is employed by the academy as a teaching assistant. Her remuneration is in line with all other teaching assistant staff at a similar grade.

During the year, the Academy Trust received £845 from one of the trustees, Mr A Dickerson, in respect of hire of the school hall.

**29. Agency arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the Academy Trust received £9,179 (2018 - £9,110) and disbursed £8,534 (2018 - £9,009) from the fund. An amount of £645 (2018 - £101) is included in other creditors relating to undistributed funds that is repayable to the ESFA.