

HIGHGATE

**HIGHGATE SCHOOL
GOVERNORS' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2018**

**haysmacintyre
Chartered Accountants
Registered Auditors**

HIGHGATE SCHOOL
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2018

CONTENTS	PAGE
Governors' Report	1-16
- Chairman's Foreword	1
- Main Report	2-16
Statement of Governors' Responsibilities	17
Statement of Accounting Policies	18-22
Independent Auditors' Report	23-24
Statement of Financial Activities	25
Balance sheet	26
Cash Flow Statement	27
Notes to the Accounts	28-42

HIGHGATE SCHOOL

CHAIRMAN'S FOREWORD

FOR THE YEAR ENDED 31 JULY 2018

CHAIRMAN'S FOREWORD

I am pleased to present Highgate School's report and accounts for the year ending 31 July 2018, following another year of excellent achievements, across many fronts as described more fully in this report.

Our continuing imperatives as a school – to keep pupils safe and happy and to ensure that they receive the best possible education – remain constants but I hope that this report will enable those interested in Highgate to understand something of the energy and self-reflective determination which characterise the School in consistently striving to improve how those imperatives are delivered. Additionally, significant commitment continues, and I hope is captured within this report, to strengthen what it means, as a school, to be a charity; I and my fellow governors strongly support the Head's determination to pursue greater impact still of Highgate as a charity.

Highgate achieves what it does only through the sterling work of all its staff. I take this opportunity to thank them for their enthusiasm and all that they do both to sustain and enhance the quality and standing of the School, and to spread the same standards of quality and excellence among our growing range of partner schools. I thank also my fellow governors for their support and unswerving commitment to the good of the School.

Bob Rothenberg MBE

HIGHGATE SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

CHARITABLE OBJECTS

Our charitable objects are set out in the Scheme of Governance as:

1. the advancement of education by the provision of a school in or near Highgate, the provision of incidental or ancillary educational activities, and the undertaking of associated activities for the benefit of the public; and
2. in so far as the Governors think fit (and so long as they, in their discretion, consider that the object stated in clause 1 is being properly provided for) the relief of the poor.

OBJECTIVES AS A SCHOOL 2017-18

Our School has a development plan for 2015-20 that sets objectives specifically for our charity and school as a whole, as well as, more specifically, for our three separate schools.

The current ongoing priorities for the three schools are:

- To secure our national and local reputation for high-calibre, academically-minded teaching, with a focus on scholarship and independence for all, complimented by a dynamic co-curricular and employability programme and by experience of service and community, to grow the whole person;
- To enhance Highgate's impact, standing and reputation as an educational charity which transfers educational advantage to schools in need of support and sets a model for schooling as a portable example to others;
- To put sustainability at the heart of our School's development, generating a better quality of life, whilst improving local environmental conditions for our School community and local people;
- To increase Highgate's diversity and accessibility as a school;
- To increase Highgate's non-fee income base; and
- To equip Highgate with facilities appropriate for its educational mission and ethos, with the current priorities including improving drama, music, sports and sixth form facilities.

Within the three schools, the academic priorities are:

Pre-Preparatory School (Nursery, Reception and Years 1-2)

- To promote pupils' confidence and independence as learners through the more effective use of outdoor teaching and learning; and
- To develop pupils' understanding and experience of our Pre-Preparatory School as a reflective community through its charitable and voluntary work.

Junior School (Years 3-6)

- To ensure that pupils believe there is no ceiling to what they can achieve by the time they leave Year 6, and adapting curriculum planning and teaching accordingly; and
- To ensure that all pupils, rather than just some, are engaged in high-quality, varied and well-monitored co-curricular activities so that they develop self-confidence and know themselves to be equally valued for their contribution and achievement.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Senior School (Years 7-13)

- To enable all pupils to view academic struggle as a normal and valuable aspect of learning, and to equip teachers to introduce such challenge with confidence and sensitivity;
- To make aspiration and ambition the guiding principles of Year 10 and Year 11 teaching and learning, so that both years are perceived and experienced as academically stimulating, enriching and enjoyable, and as preparation for higher study, rather than a course principally leading to, and possibly limited by, GCSE;
- To ensure Sixth Form pupils are more scholarly, independent and reflective in their study habits by regenerating academic culture and re-setting expectations;
- To prepare pupils to develop the requisite transferable behaviours, values and employability skills to enjoy success;
- To empower pupils to make informed decisions about their post-Highgate educational and career pathways;
- To create a positive culture of community in which all staff and pupils seek out opportunities to build positive relations so that each individual feels encouraged and valued; and
- To increase pupils' active participation in our School and wider communities through a greater understanding of the transformative power of 'service' and 'pupil voice'.

The aims of our School remain: (1) To provide a place for **learning and scholarship**; (2) To be a **reflective community** and (3) To be **an exemplar for the healthy life**.

These aims are underpinned by a guiding ethos with respect to all the Charity's activities.

ACTIVITIES OF THE SCHOOL

Academic

Pre-Preparatory School.

The 2017-18 academic year saw a number of great successes and celebrations. Former staff, parents, governors and former pupils (Cholmeleians) were invited to an open day in our Summer term to celebrate our Pre-Preparatory School's 25th anniversary. Everyone had the opportunity to look around, observing our music and drama specialist teachers and class teachers in action. Both morning and afternoon sessions were well-attended, with visitors who had not seen our School for a while remarking on the high standards of work, behaviour and uniform. Pupils will produce a wall mosaic to celebrate this anniversary. This should be completed in the Michaelmas Term 2018 and then permanently installed on the front of our Pre-Preparatory School building.

Our Key Stage One successfully implemented a new Singapore Maths Scheme and communicated changes to parents via various interactive workshops. At the end of the academic year, staff and parents commented on the benefit of these changes as pupils' depth in their understanding of mathematical concepts had increased.

Once a month drop-in sessions are now offered to parents to give them an opportunity to come into class and observe pupils 'in action', as well as view work on display.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Junior School.

We have now been in our new Junior School for two academic years. Pupils and teachers have responded well to working in the new spaces and pupils regularly use the break-out areas outside of their classrooms. On-site art and design, technology and engineering facilities continue to allow us to maximise time spent in lessons, while the new building itself enables pupils' work to be prominently displayed, thus demonstrating the high standard of their work produced in these two subjects.

An increase in the number of teaching staff and teaching assistants employed means that we are better able to support and challenge pupils across all year groups. With a view to encouraging all pupils to leave in Year 6 with a positive view of their ability in mathematics, our School moved to a new broader setting model in Year 5, which has proved positive with pupils and parents alike.

An overnight camp-out in the grounds for Year 3 was introduced in 2016-17, and this has been extended for Years 5 and 6 as well. This has been just one of the ways we have developed our objective to promote healthy and outdoor living. Music and drama continue to thrive, while the introduction of a new performance event in Year 5 has proved successful.

Based on standardised tests (PIPS), pupils in all year groups continued to perform very well in both mathematics and reading.

During the academic year, preparation was made for welcoming fifth classes into Years 3 and 5 in September 2018. By September 2019, we will have five classes in all four year groups. Our new building has suitable capacity for this and we have planned carefully for this change. There are, as a consequence, a greater number of clubs and activities on offer, and we carefully track each pupil's personal development to ensure that the needs of each individual are met.

Senior School.

This year, Highgate enjoyed record success in its public examinations for both Year 11 and Sixth Form.

In Year 13, 39.1% of all exam entries were awarded with the top grade, an A* at A Level (or the Pre-U equivalent) and 75.8% of all grades were either A* or A. In addition, 34 pupils were rewarded three A*s or more. Since 2011, the number of top grades at this, the most advanced level, has more than doubled. A Highgate record of 32 pupils were made conditional offers at either Cambridge or Oxford and 30 of these pupils matriculated, and the vast majority of school leavers entered Russell Group universities (83% of all applicants). Others chose to enter prestigious medical schools, top tier US and Canadian colleges, or – for the first time – European universities.

At GCSE level, 73.7% of all entries were graded A* (or the new numerical equivalents to an A*), and 92.2% were graded either A or A*. A quarter of all our Year 11 pupils were awarded ten A* grades (the maximum sat at Highgate), with a further 24% receiving nine A*s, meaning almost half of the year group had at least nine A*s each. These results place Highgate firmly in the top academic tier of independent schools in the UK. The value added data for this strong cohort of pupils is particularly pleasing: the comparison of pupils' results against base-line data suggests that, on average, over half a grade of value was added to each individual examination result.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Co-curricular

The co-curricular life of all three schools has continued to be rich and varied: there is a comprehensive diet of sport, music, drama, clubs and societies, and a host of other activities available to all Highgate pupils. Almost every pupil, in every year group, has contributed to at least one co-curricular venture; nearly every member of teaching staff, and an increasing number of non-teaching staff, have also supported these activities.

Pre-Preparatory School.

Although pupils in our Pre-Preparatory School always think about helping charities, greater focus was given in 2017-18 with the introduction of our charity badge scheme. This encouraged pupils to perform a wide range of charitable acts at home, in school and within the wider community. Our pupils' efforts were recognised through an award assembly where they received a badge depending on the number of kind acts they had carried out.

Outdoor learning remains a focus, so Year 1 attended Forest School on a weekly basis. In addition to this, a new Gardening Club was established.

Our Year 2 pupils visited a local residential home, Mary Feilding Guild, to perform songs and entertainment, which they enjoyed. We now regularly visit this home during the year.

A variety of co-curricular clubs continue to be offered to Pre-Preparatory pupils during lunchtimes (for example, Chess Club for Year 1, Science and DT Club for Year 2, and Music and Drama Club for Years 1 and 2). In addition to this, a morning Chess Club was successfully introduced to Year 2, while two after school sports sessions will start in our Michaelmas Term 2018. Our teachers have also planned varied and exciting visits, such as trips to the Tower of London and to Tolmer's Scout Camp.

Junior School.

There were particular successes in music, where one pupil was selected for the National Children's Orchestra of UK. Our String Quartet came second in London Music Festival and pupils achieved excellent ABRSM results (100% pass and most at merit or distinction). Junior School pupils gained one music scholarship and three exhibitions to the Senior School. In addition our choirs sang at Southwark Cathedral in a Women Composers Concert. In sport, we had team success in football winning two of the tournaments we entered and being runners up in a further two. Four boys and three girls made the District U11 squads in football and in athletics and cross country (both coeducational sports) we won three tournaments. We are especially strong in cross country and track running having several pupils representing the District and two at London level. One pupil came second in the National Finals in Sports Gymnastics, and one was selected to play tennis for Middlesex. Our pupils attended a variety of educational and co-curricular trips to places including The Globe Theatre, The Royal Courts of Justice, The Natural History Museum and Bletchley Park, as well as our Year 6 residential trip to Wales in our Summer term.

Senior School.

Our compulsory Thursday Lunchtime Activity (TLA) programme for Years 7 to 8 enables pupils to take part in a carousel of termly activities (community, academic, sports, and other) with options such as social enterprise and sign language proving particularly popular. Our Tuesday Afternoon Activities (TAA) programme for Years 9 to 13 remains a firm fixture in the weekly diary and has an increasing number of options including volunteering options such as 'Kissing it Better'. Community volunteering options have increased overall and even pupils in Years 7 to 8 have enjoyed our Play Leaders and Primary School Reading partnership programmes.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Co-curricular - Senior School (continued).

Without doubt, Combined Cadet Force and the Duke of Edinburgh Award remain our most popular TAA options and, with over 230 pupils taking part in the Duke of Edinburgh Awards this year (34 of whom were doing the Gold Award), we are the largest centre in Haringey – a fact celebrated at three separate Gold Award Ceremonies at St James' Palace. Large numbers of pupils engaged with our careers and employability events (many of which were generously supported by volunteers from the former pupil and parent communities.)

We have over 75 clubs and societies, while the number of pupil-led societies continues to be extensive. Particular distinction in 2017-18 goes to the Masaryk (Politics), History, Vinyl and Philosophy, the Junior Equalities Society, LGBT+ and Engineering Societies (most notably Robotics).

Our cycle of concerts, recitals and drama performances has been ongoing throughout the year involving over 500 pupils of all ages.

In sport, Highgate teams were awarded county, regional or national honours in football, netball, cricket, athletics, cross country and water polo. We have 12 pupils competing at national level and 20 at county level, which we are proud to support through our ongoing high performance programme.

A wide variety of educational and co-curricular visits took place in 2017-18. This included (but is not limited to) the following: sports tours to Rotterdam, Barcelona, Jersey, Austria (skiing) and New York (dance); language trips to France, Spain, China and Germany; a history of art trip to Prague; a classics trip to the Bay of Naples; outdoor education trips to Cerrig, our School's centre in Wales; a drama performance trip to the Edinburgh Fringe Festival; and a teaching and residential visit to Highgate's partner school in Uganda.

Activity within Careers and Employability continued to grow: pupils in all years were given age specific and focused opportunities to develop their employability skills and to explore the broad range of options available to them after Highgate. Over 120 parents and OCs contributed their support and expertise to events and initiatives throughout the year that included the following: termly *Careers Q&A Evening Talks*; the annual Careers Fair (with over 50 delegates/employers show-casing different paths); the Year 10 Employability Day; Years 11 and 12 Work Experience, and formal practice interviews, in the Summer Term, for Year 12 pupils in preparation for future university and employment interviews. The Year 12 Mentoring programme enabled Highgate pupils to work alongside pupils from London Academy of Excellence Tottenham under the guidance of volunteer mentors. In addition, pupils now have access to one-to-one careers support from our Careers and Employability Specialist; this has been particularly useful for helping pupils to produce CVs, gain work experience and explore different career paths.

In terms of pupils' personal development, the Personal, Social, Health and Economic (PSHE) education programme has been revised and preparation has been made to introduce a new Year 12 PSHE education carousel from September 2018 (to join the specialist carousels now in place for Years 9 and 10); as such, more time has been freed up for tutors to meet with their tutees on a one-to-one basis. Pupil Voice initiatives have gained traction: in addition to the prefecture and pupil committees (such as School Council and the Pupil Welfare Committee), pupils continue to lead clubs and societies and deliver assemblies; this year, all members of Senior Team have conducted half-termly discussion groups with randomly selected pupils.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

ACTIVITIES OF THE SCHOOL (continued)

Other

Sustainability

A wide-ranging but important objective as an institution per se but also as an educational one with the responsibility of educating future generations on understanding the impact on the environment of individual decisions and actions. We work proactively with the neighbouring Councils, Schools and the wider community to maximise efficient use of resources, energy and waste; reduce pollution (particularly in terms of improving air quality); and to promote sustainable transport, road safety and accessibility. Achievements in 2017-18 include: enhancing the School's Travel Plan and making significant progress towards achieving Gold accreditation within Transport for London's (TfL) STARS (Sustainable Travel: Active, Responsible, Safe) travel scheme. STARS promotes walking, cycling and the use of public transport. There was an 8% rise in public transport use by pupils and we were nominated for "Top School for Public Transport" by TfL in July 2018. Sixty four pupils were taught to cycle safety through the Bikeability scheme; we created Bike Maintenance TAA's in the Junior and Senior Schools; and there was a 40% increase in use of the School bus service. We also developed relationships with other schools through the "Better Travel for Schools in Highgate" initiative identifying measures that could be introduced to mitigate the impact of transport on local roads. The Student Environmental Sustainability Committee has been responsible for initiatives such as banning bottled water and introducing meat-free Monday lunches and attended the School's Senior Team in the Summer Term to drive forward the writing of an Environmental Plan. As part of the School's investment programme regarding our facilities, opportunities to reduce our environmental impact will be taken.

Accessibility and Diversity

Consideration continued to be given to making the school accessible to a wider range of families from different social and economic backgrounds, to ensure the community is a vibrantly diverse one in which social cohesion plays an instrumental part in our pupils' learning experience.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

OBJECTIVES AS A CHARITY 2017-18

In 2017-18 our specific charitable objectives were:

- To continue our commitment to support, as the primary educational sponsor, the London Academy of Excellence, Tottenham, which opened to provide an academically selective, well-governed sixth form free school in a local community where such opportunities are lacking;
- To enable teachers to give some of their time to neighbourhood schools and charitable organisations, so more children can have access to the excellent teaching and enriching activities that Highgate pupils enjoy every day;
- To award a significant number of bursaries so that children for whom Highgate is the right school can access the excellent teaching and enriching activities that Highgate provides, when financially it would otherwise not be possible; and
- To grow strong and sustained links with schools, charities and similar organisations within our School's local community.

ACTIVITIES OF THE CHARITY

Partnership Teaching

Much of Highgate's partnership work is run through our Chrysalis Programme. In 2008, Chrysalis started as a Year 12 summer school with twelve schools, mostly in Haringey and is now a year-round programme involving over fifty schools. Our mission is "to inspire and support pupils of any age to pursue academic subjects at the next level, culminating in applications to Russell Group universities" through extension and robust academic provision.

Our Chrysalis network includes secondary schools from across the boroughs of Haringey, Camden, Ealing, Newham, Brent and Barnet. Chrysalis teaching, summer schools, conferences, masterclasses and enrichment days are staffed by Highgate teachers, with assistance on some projects by pupils, where appropriate. Projects range from intensive summer schools to mentoring and revision sessions. Further examples include: university admissions test preparation (including MAT, the Maths Aptitude Test and PAT, the Physics Aptitude Test); expert interview preparation and practice for applications to Cambridge, Oxford and medical schools; access to higher education and careers programmes; and access to Further Mathematics teaching. Combined, Chrysalis projects have had an impact on thousands of children across London.

During the academic year 2017-18, Highgate worked with almost 60 schools in London on numerous events, 26 of these schools were part of our Chrysalis network.

To deliver such a robust and rewarding programme, Highgate employs the equivalent of four extra full-time teachers. This means over twenty Highgate teachers are involved in partnership teaching, either by giving timetabled classes, delivering sessions in partner schools or running events for partner school pupils and staff at Highgate. Our programme covers a range of academic subjects including art, biology, chemistry, classics, design technology and engineering, drama and theatre studies, English, French, mathematics, music and physics. We have five Chrysalis Fellows (recent graduates or leavers from Year 13 who co-ordinate and deliver this variety of projects), plus a full-time member of our Senior Team and a coordinator who are dedicated to this programme.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Partnership Teaching (continued)

Highgate's decade of partnership teaching was brought to bear with the establishment of the London Academy of Excellence in Tottenham (LAET), east Haringey. This new sixth form free school opened in September 2017, following the successful model of the LAE in Stratford (also one of Highgate's partner schools). It provides an academically rigorous sixth form education to children in the Tottenham area. Highgate is the lead educational sponsor, alongside the lead business sponsor, Tottenham Hotspur Football Club.

As LAET's lead educational sponsor, Highgate provides ongoing support through the secondment of teaching and support staff, as well as continuing administrative support and a significant presence on the governing body. In 2017-18, we provided the full-time equivalent (FTE) of 6.6 members of teaching staff in English, geography, chemistry, physics, mathematics, art, design technology and engineering, French, Spanish and learning support.

Highgate also has a longstanding relationship with the Haringey, Barnet, Camden and Islington virtual schools through the Chrysalis Accelerator Project for Looked After Children. This helps looked-after children in Years 6 to 12 raise aspirations and develop world of work skills, attainment and confidence, leading to successful applications to higher education and into work. The programme consists of a Saturday series with small group tutorials and workshops, led by Highgate teachers and inspiring mentors, as well as university visits and engaging enrichment days led by facilitators.

The 2017-18 academic year saw a variety of further partnership initiatives across Highgate, which included: the Year 4 Day of Discovery summer school that welcomed seven of Highgate's primary partner schools for a session discovering new subjects and learning about famous explorers; the Olympic Legacy Summer School, run with University College School, to focus on sport and physical education; and the Primary Mathematics Club, aimed at mathematically able and enthusiastic pupils in the upper primary years, with the purpose of providing fun mathematical extension.

Highgate regularly evaluates the impact of its partnership teaching and feedback continues to indicate positive results. The vast majority of pupils report an enjoyment of their participation with partnership teaching programmes (99%) and express an interest in continuing to engage with Chrysalis (97%). Pupils also hold a belief that the programme fosters a sense of academic community with their peers in other schools (94%). We aim for partner school pupils to have continued engagement with Highgate throughout the various stages of their education. In 2017-18, over 50% of all pupils surveyed had engaged with Highgate on more than one occasion, and over 25% were engaging with us for at least the third time.

During 2017-18, Highgate's projects were various in their scope and intensity, and continued to be measured in units of contact time. A unit of contact time is a piece of meaningful contact between a representative of Highgate (teacher, pupil or non-teaching staff member) and a representative from a partner school (teacher, pupil or non-teaching staff member). These units might be an hour of one-to-one tuition or attendance at a music workshop, in a larger group that lasts several hours. In total, 24,000 measurable units of contact time were recorded, excluding the secondments and support provided to LAET. Highgate worked with over 2,000 pupils from partner schools during the course of the year.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Community Partnerships

Highgate takes pupils on a journey from participant to being actively engaged or leading in a community activity, providing them with various taster experiences in Years 7, 8 and 9 at local schools, environmental and charitable organisations to help them identify an area that aligns with their own values. In Years 10 and 11, through the Duke of Edinburgh (DofE) scheme, pupils can engage on their own terms in community settings of their choice, and can join our pupil-led Charity and Community Action Group. Mentoring opportunities are available in Years 12 and 13, in association with the Chrysalis Partnership Teaching Scheme.

Our Community Partnerships Director, a member of our Senior Team, meets regularly with key members of local institutions (schools, religious and cultural) to strengthen physical and social links between the local area and the different social and age groups in Highgate. Examples include: our "Coffee and Computers" initiative, where Highgate pupils volunteer with elderly people from the local community who are seeking support with electrical devices; our volunteer reading scheme, where Highgate pupils offer their time to read with pupils at St Michael's Primary School; our volunteer play leaders scheme, where Highgate pupils offer their time to devise and lead pupils at St Michael's Primary School and Whitehall Park School in Key Stage 2 team-based games; and Chrysalis TreeHouse Volunteering, where Highgate pupils volunteer to work with children with autism spectrum disorders, at TreeHouse School, to develop their social skills and abilities to interact with new pupils.

Highgate also facilitates sharing of resources and equipment where possible among local institutions. This has included local institutions using performance space, and local schools using our sports and other equipment and/or outdoor space.

Bursaries

During 2017-18, 85 Senior School pupils received means-tested fee remission, of whom 50 received 100% fee remission. In addition, 19 pupils were given grants towards the cost of school uniform and £5,000 was allocated to enable bursary holders to participate in school trips for which there is a charge. Through donations from Cholmeleians and parents, our School also assisted with £19,697 towards the costs of instrumental music lessons and additional expenses for bursary award holders.

The total value of our bursarial support (including the contribution from the Friends of Highgate School Society) was £1,554,079. Of this figure, our School funded £1,422,296. Nine of the 85 Senior School pupils receiving means-tested fee remission were supported by the Friends of Highgate School Society (a registered charity, no. 1056624) which contributed in the region of £131,783. Our Governors' policy continues to be to concentrate bursary awards amongst children whose parents or carers are able to pay very little or none of our fees.

Our School invests considerable time, thought and resources in the advertising and awarding of our bursaries. In 2017-18, there were 123 bursary applicants of whom 102 were visited at their homes, attended a meeting at our School or, in exceptional circumstances, undertook a financial assessment over the telephone. Feedback surveys confirm that the support provided in making such applications is very warmly appreciated by parents and carers. A full statement of our policy on bursaries is available on our website; there is also further information available for parents and carers within the admissions section of our website.

Costs associated with charitable activities

In addition to the funding associated with bursaries, our School spent around £44,000 during the year on the running costs of our work on partnership teaching and community partnerships, including transport, equipment, and visits to venues, and approximately £940,000 on the associated salary costs for the year (including pension and employer's National Insurance) of our Community Partnerships Director, Admissions Officer (Widening Access),

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Costs associated with charitable activities (continued)

the share of staffing costs associated with our partnership teaching programme (including those seconded to LAET) and our Chrysalis Fellows.

FUTURE OBJECTIVES

Highgate's objectives as a School have been set within the development plan, the current version of which is for 2015-20 and which received a mid-way review in August 2017. In the forthcoming period, we will therefore continue to progress achievements measured against these objectives, with termly updates being provided to Governors as appropriate. These objectives, along with the three schools' academic priorities which will also continue for 2018-19, are detailed on pages 2 and 3.

Highgate's specific charitable objectives set out on page 8 will also be further progressed during 2018-19. The programmes set out on pages 8 to 10 will be consolidated and, where opportunities arise, new partnerships developed. Projects will be overseen by the School's Executive Charity and Development Committee (see below) with Governors being kept updated as required.

GOVERNANCE

Structure, governance and management

Our Governors (listed below) who are our Charity's Trustees, are responsible for the governance of our School. Highgate is governed in accordance with our Scheme of Governance, dated 1 September 2005, as amended, and our Governors are members of the Body Corporate of "The Wardens and Governors of the possessions, revenues, and goods of the Free Grammar School of Sir Roger Cholmeley, Knight in Highgate".

Management is under the direction of our Head. Our full governing body meets at least six times a year. During 2016-17, an internal Governance Review was undertaken, resulting in a new Committee structure being implemented. The following three sub-committees were formed, all meeting at least three times a year:

- Finance, Audit and Risk Committee
- Estates Committee
- Nominations and Remuneration Committee

In addition, an executive committee (Executive Charity and Development Committee), chaired by the Head and generally attended by at least one nominated Governor, was established to oversee our School's charitable activities and fundraising.

Our Nominations and Remuneration Committee is responsible for overseeing succession planning to ensure our governing body contains appropriate diversity, experience and skills, and making recommendations to Governors about recruitment processes for new Governors. Recent appointments have involved advertising roles within our School community prior to a sifting and interview process. Such a process was undertaken during the Summer Term 2018 which resulted in five new Governors being appointed who will start as trustees during Michaelmas Term 2018.

In considering the pay and remuneration for our School's key management personnel, our Nominations and Remuneration Committee, in reaching recommendations for our governing body, consider the nature of the role and responsibilities, trends in pay and salaries for similar roles in the region available from publicly available sources.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Management

The day-to-day running of our School is delegated to our senior leadership team.

Our Head, Adam Pettitt MA, exercises the functions of Chief Executive in leading and directing our Senior, Junior and Pre-Preparatory Schools, and reports to our governing body.

The day-to-day responsibility for management of our Junior School and Pre-Preparatory School is exercised by our respective Principals, who report to our Head. The present incumbents are Mark James MA (Principal of our Junior School) and Diane Hecht PDCE (Principal of our Pre-Preparatory School).

Our Head is assisted in our Senior School by a Principal Deputy Head, Todd Lindsay MA, a Deputy Head (Academic), James Newton MSc, and a Deputy Head (Pupils' Personal Development and Employability), Louise Shelley BA, together with eight Assistant Heads and four Directors.

Our Bursar, John Pheasant BSc LLDip Barrister, is responsible for the management and leadership of support staff, and the financial administration of our School, and reports to our Head. Our Bursar also acts as Secretary and Clerk to our governing body, in which role he reports directly to our Chairman.

Our Head, Principals of our Junior and Pre-Preparatory Schools, Deputy Heads and Bursar make up our Strategic Management Committee.

HIGHGATE SCHOOL**GOVERNORS' REPORT (continued)****FOR THE YEAR ENDED 31 JULY 2018****GOVERNORS WHO HELD OFFICE DURING THE YEAR ENDING 31 JULY 2018**

	FA&R¹	Estates²	Nom&Rem³
Gill Aitken MA(Oxon) Solicitor	*		
Revd Anthony G Buckley MA (Oxon) PGCE Dip Min MA(Canterbury) (nominated by the Bishop of London)			*
John A Cloughton MA			
Jemima Coleman MA(Cantab) LLDip			*
Michael T Danson MA			
Professor Brian Davidson MD FRCS MB ChB MD FRCPS(Glasg) FRCSE(Hon) Deputy Chairman (nominated by the University of London)	*	*	*
Miss Rachel Langdale QC LLB MPhil (nominated by the Lord Chief Justice of England and Wales)			
Dr Kate Little MB BS BSc			
Paul E Marshall BSc MRICS	*	*	
Kumar Panja BA LLDip	*		
Aly Patel MA MBA Treasurer	*		
Jeremy D Randall BSc			
Robert M Rothenberg MBE BA FCA CTA MAE Chairman	*	*	*
Paul Rothwell MA		*	

¹ Member of the Finance, Audit & Risk Committee.

² Member of the Estates Committee.

³ Member of the Nominations and Remuneration Committee.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

ADDRESS OF SCHOOL	Highgate School North Road Highgate London N6 4AY
REGISTERED CHARITY NUMBER	312765
AUDITORS	haysmacintyre 10 Queen Street Place London EC4R 1AG
SOLICITORS	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH
BANKERS	Coutts & Co. St Martin's Branch 440 Strand London WC2R 0QS
INVESTMENT MANAGERS	Brewin Dolphin 12 Smithfield Street London EC1A 9BD

PUPIL NUMBERS AND FEES

Pupil numbers were 1,730 in September 2017. Our fees per term, in 2017-18, were £6,725 (Senior School), £6,165 (Junior School), £5,820 (Pre-Preparatory School, full-time: Reception to Year 2) and £2,905 (Pre-Preparatory School, part-time: Nursery). Our fees are inclusive of lunch, the use of books and stationery, and practically all other extras including future life membership of our Cholmeleian Society, field work, one residential trip in Years 7, 8 and 9, and day visits in curricular time.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

FINANCES

Total fee income in 2017-18 was £32,468,651, an increase from 2016-17 of £2,056,683. The operating surplus was £3,195,115. Our Governors continue their strategy of deploying all net incoming resources to investing in our School and Charity to ensure that Highgate keeps, and indeed works to improve further, its position as a successful place of learning and all-round educational excellence. £1,509,238 was spent in the current financial year in respect of this investment programme, predominantly on progressing a number of major planning applications for future facility improvements, ensuring that the needs of succeeding generations of pupils are met as well as the current.

Diversifying non-fee income

Our School continues to offer paid-for courses at the Mallinson Sports Centre. Further work is being undertaken to explore other non-fee income opportunities including the development of CPD courses for teachers.

Fundraising approach and performance

We undertake fundraising activities within the school community via direct mail, telephone, community participation activities (such as our pupils' sponsored walk), fundraising events, solicitation of individuals, crowdfunding campaigns and email in line with the Fundraising Code of Practice set by the Fundraising Regulator. Fundraising is overseen by the School's Development Office by staff all of whom have detailed job descriptions associated with their roles and receive appropriate training to reinforce our fundraising ethics.

We are registered with the Fundraising Regulator and adhere to the standards of the Fundraising Code of Practice. All our activities are open, fair, honest and legal. No formal complaints were received about fundraising activity in the year. Trustees receive regular reports regarding fundraising activity and performance.

During the year, we undertook a telethon fundraising campaign, working with Buffalo Fundraising Consultants. Callers, who were former pupils, were thoroughly trained on the charity's work and calls were regularly monitored.

The year saw an increased number of donations towards bursaries, partnerships and capital projects, taking the total received and pledges from parents and Cholmeleians in the year 2017-18 to £1,677,573.

Buildings

Our Governors are committed to continuing to invest substantially in upgrading and, where necessary, renewing current academic facilities, to ensure that our physical estate meets all emerging requirements to a high standard. Our current priorities include improving drama, music, sports and sixth form facilities, plus renewing services to, and reconfiguring, our Senior School's science laboratories. Additionally, in a drive to maintain our first-rate facilities, our School continues to preserve its historic buildings to improve the look of our School for the benefit of staff, pupils and the local community. Consequently work will continue, as part of our extensive capital development programme, in upgrading teaching facilities and repairing the fabric of our historic buildings.

Specific investment powers, policy and performance

The governing scheme affords our Governors powers in line with those generally applicable to charitable foundations. Any investments acquired by our Governors, during the year ending 31 July 2018, have been acquired in pursuance of those powers and within the Statement of Investment Policy that our School has with our Investment Managers, Brewin Dolphin.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Reserves Policy

In common with other independent schools, Highgate does not have free reserves readily available to spend on any of the charity's purposes. As indicated on our balance sheet, at the year end, our School had total funds amounting to £75,589,505. This was split between endowment funds of £28,991,356, of which £27,789,363 related to the net book value at 31 July 2016 of the original endowed property of our School (principally constituting our main island site in our Senior School), restricted funds of £1,486,378 namely donations received for specific purposes, and, the remainder, unrestricted funds of £45,111,771. The unrestricted funds reflect the residual investment that our School has made over the years in the fabric of our building and facilities: it is not readily available for spending.

Our Governors therefore monitor the day-to-day operations of Highgate through management of good budgeting procedures and cash-flow, to ensure that it can meet the ongoing needs of the operations of our School and continue to invest in the fabric of the estate and educational provision. Our Governors are satisfied that we have sufficient available cash and facilities to deliver our strategic objectives.

Risk Assessment

Processes are in place to identify risks under the headings of Aims/Objects, Law and Regulation, Governance and Management, Academic, External Factors, Operational, Human Resources, Environmental, Technological and Financial Risks, and the necessary mitigations, and assessments and controls established to manage these are kept under regular review by our senior management and our Governors' Finance, Audit and Risk Committee.

The main risks that our Governors have identified, and the plans to manage those risks, are:

- Reputation of the education and well-being of our pupils and the activities of our School. This risk is managed through relevant policies which are embedded within our School through meetings, committees, staff and pupil awareness, and having nominated senior management responsible for specific policies. Policies include: safeguarding policies, staff recruitment policies, and health and safety policies. Other areas of focus include security and personal safety of staff, pupils and visitors. In addition, our School uses professional consultants and advisers to help strengthen compliance within our School.
- Income and a cash-flow to deliver the educational offering for the present and continue to invest in our School and Charity, including our fabric, for the long-term future. This risk is managed by maintaining and, where feasible, increasing pupil numbers, identifying any trends that can be reduced associated with any leavers, looking at non-fee income initiatives, including fundraising and borrowing, and ensuring active cash-flow management.
- Environment, namely the ageing buildings and facilities in some parts of the School not being fit for current purposes. This risk is managed through the capital programme which is overseen by the Estates Committee.

Governors have been provided with assurance that risks have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Fixed assets

The fixed assets are as stated in the balance sheet and further detailed in the notes to the financial statements. They are considered to be available and adequate to fulfil the obligations of our School.

HIGHGATE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Statement of Governors' Responsibilities

Our Governors have prepared financial statements for the financial year that give a true and fair view of the state of affairs of our School and of the surplus of our charity for that period. In preparing these financial statements, our Governors have:

- adopted suitable accounting policies and applied them consistently;
- observed the methods and principles in the Charities SORP;
- made judgements and estimates that were reasonable and prudent;
- stated that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis.

Our Governors have kept proper accounting records which disclose, with reasonable accuracy at any time, that our financial statements comply with trust law. Our Governors have safeguarded the assets of our charity and taken reasonable steps for the prevention and detection of fraud and other irregularities.

Our Governors confirm that the accounts comply with the requirements of the Charities Act 2006 as amended by the Charities Act 2011, the Governing Scheme, and the Charities SORP 2015.

Our Governors confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

on behalf of the **Governors**



Chairman of the Governing Body and Chairman of Trustees

ACCOUNTING POLICIES

General Information

Statement of Compliance

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the 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) - effective 1 January 2015.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments and revaluation of land and buildings.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

The School is a Public Benefit Entity registered as a charity in England and Wales (charity number: 312765).

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the trustees, the depreciation rates charged are the Governors best estimate of useful economic life for the asset, and changes could result in a material adjustment of the carrying amount in subsequent years.

ACCOUNTING POLICIES (continued)

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to School's financial statements.

Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Tangible fixed assets

Tangible assets are included at their net book value at the year-end.

Expenditure on the acquisition, construction or enhancement of land and buildings of a capital nature together with vehicles, furniture, machinery, ICT infrastructure and other equipment of a capital nature are capitalised and carried in the balance sheet at historical cost.

ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred. Individual items costing less than £1,000 are normally written off as an expense in acquisition.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments from commencement of the project over their expected useful economic lives as follows:

Freehold Property	- 2% on revalued amounts
Furniture and Equipment:	
- Furniture, Equipment and IT	- 10% or 20% on cost
- Motor Vehicles	- 20% on cost

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Funds

The School maintains four types of fund:

- i. Endowment – where the capital is held in perpetuity and income generated used for charitable purposes expenditure;
- ii. Restricted – where the purposes for which funds may be used have been restricted by donors;
- iii. Designated – where the funds are unrestricted but where the Trustees have designated them for a specific purpose;
- iv. General – where the funds are unrestricted and not designated.

ACCOUNTING POLICIES (continued)

Endowment Funds

The original land and buildings of the School are subject to a permanent endowment. The Endowment Fund reflects the rebased cost of assets principally constituting the main Island Site, following engagement with the Charity Commission, as at 31 July 2016 (see note 12).

The Sinking Fund represents recoupment of the proceeds on disposal of endowment property.

The Prize Fund consists of a number of individual prize funds set up by donors for the provision of prizes.

Restricted Funds

The Library Fund consists of three funds named (i) Burdett-Coutts, (ii) Furnival Jones and (iii) J F Newsome Charitable Trust, and exists to provide books and equipment for the school library.

Designated Funds

The building reserve represents funds generated from appeals and transfers from unrestricted funds. The reserve reflects that part of the School's unrestricted funds which relates to property.

Pension costs

Retirement benefits to employees of the School are provided through two pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.
- (b) The ISPEN is a multi-employer defined benefit scheme. The assets of the scheme are held independently from those of Highgate School in an independently administered fund. The costs recognised during the year relate to the movement in the year end liability.
- (c) Other pension costs are charged in the accounts for defined contribution schemes represent the contributions payable by the School during the year.

ACCOUNTING POLICIES (continued)

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Debtors

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

Cash at bank and in hand

Cash at bank and cash 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.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF HIGHGATE SCHOOL

Independent auditor's report to the trustees of Highgate School

Opinion

We have audited the financial statements of Highgate School for the year ended 31 July 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2018 and of the charity's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 17), the trustees 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 charity'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 charity 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. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF

HIGHGATE SCHOOL

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 charity'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Governors' Report. 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.

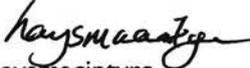
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.


haysmacintyre
Statutory Auditors
Date: 30 November 2018

10 Queen Street Place
London
EC4R 1AG

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

HIGHGATE SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2018

	Notes	General Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
INCOME FROM:							
<i>Charitable activities</i>							
School fees receivable	1	32,468,651	-	-	-	32,468,651	30,411,968
Other educational income	2	290,805	-	-	-	290,805	204,750
Ancillary trading income	2	1,382,328	-	-	-	1,382,328	1,928,888
<i>Investments</i>							
Bank and other interest		7,466	-	8	6	7,480	1,122
Investment income		5,488	-	10,841	9,095	25,424	25,024
<i>Voluntary sources</i>							
Donations	3	691,878	-	985,695	-	1,677,573	1,257,253
Total Income		34,846,616	-	996,544	9,101	35,852,261	33,829,005
EXPENDITURE ON:							
<i>Raising funds</i>							
Finance costs		506,267	-	-	-	506,267	531,814
<i>Charitable activities</i>							
School operating costs		31,565,673	-	583,406	1,800	32,150,879	31,212,069
Total expenditure	4	32,071,940	-	583,406	1,800	32,657,146	31,743,883
NET INCOME		2,774,676	-	413,138	7,301	3,195,115	2,085,122
Gains on investment assets		-	-	-	73,260	73,260	129,889
Transfers between funds	14	(2,774,676)	2,774,676	-	-	-	-
Net movement in funds		-	2,774,676	413,138	80,561	3,268,375	2,215,011
Balances brought forward at 1 August 2017		-	42,337,095	1,073,240	28,910,795	72,321,130	70,106,119
Balances carried forward at 31 July 2018		-	£45,111,771	£1,486,378	£28,991,356	£75,589,505	£72,321,130

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the statement of financial activities.

Full comparative figures for the year ended 31 July 2017 are shown in note 19.

The accompanying notes are an integral part of this statement.

HIGHGATE SCHOOL**BALANCE SHEET****AS AT 31 JULY 2018**

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		91,484,163		92,570,837
Investments	7		1,342,702		1,249,906
			<u>92,826,865</u>		<u>93,820,743</u>
CURRENT ASSETS					
Stock	8	58,425		57,216	
Debtors	9	1,539,951		1,490,975	
Cash at bank and in hand	10	7,971,861		2,919,246	
		<u>9,570,237</u>		<u>4,467,437</u>	
CURRENT LIABILITIES					
Creditors - due within one year	11	(7,845,066)		(6,959,236)	
NET CURRENT ASSETS					
			<u>1,725,171</u>		<u>(2,491,799)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>94,552,036</u>		<u>91,328,944</u>
CREDITORS - DUE AFTER ONE YEAR					
Creditors - due after one year	11		(18,962,531)		(19,007,814)
TOTAL NET ASSETS					
			<u>£75,589,505</u>		<u>£72,321,130</u>
Represented by:					
ENDOWMENT FUNDS					
	12		28,991,356		28,910,795
RESTRICTED FUNDS					
	13		1,486,378		1,073,240
UNRESTRICTED FUNDS					
Designated and general funds	14		45,111,771		42,337,095
TOTAL FUNDS					
			<u>£75,589,505</u>		<u>£72,321,130</u>

The financial statements were approved and authorised for issue by the Governing Body on 27 November 2018 and were signed below on its behalf by:

RM ROTHENBERG MBE BA FCA CTA MAE

Chairman

The accompanying notes are an integral part of this balance sheet.

A PATEL MA MBA

Treasurer

HIGHGATE SCHOOL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2018

	2018		2017	
	£	£	£	£
RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
Net income	3,268,375		2,215,011	
(Gain) on disposal of fixed assets	-		(1,000)	
(Gains) on investments	(73,260)		(129,889)	
Depreciation	2,595,912		2,588,502	
Interest paid	506,267		531,814	
Interest and dividends receivable	(32,904)		(26,146)	
(Increase) in stock	(1,209)		(9,033)	
(Increase) in debtors	(48,976)		(589,954)	
Increase in creditors	840,550		561,999	
Net cash flow from operating activities		7,054,755		5,141,304
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on sale of fixed assets	-		1,000	
Purchase of fixed assets	(1,509,238)		(2,029,604)	
Proceeds from sale of investments	208,817		265,810	
Purchase of investments	(234,034)		(259,390)	
Decrease/(increase) in investment cash	5,678		(26,476)	
Interest and dividends received	32,904		26,146	
Net cash used in investing activities		(1,495,873)		(2,022,514)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(506,267)		(531,814)	
Cash inflows from new borrowing	-		-	
Net cash used in investing activities		(506,267)		(531,814)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		<u>£5,052,615</u>		<u>£2,586,976</u>
Cash and cash equivalents at beginning of period		2,919,246		332,270
Cash and cash equivalents at end of reporting period		7,971,861		2,919,246
		<u>£5,052,615</u>		<u>£2,586,976</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS				
		2018	2017	
		£	£	
Cash balance		7,971,861	2,919,246	
Bank overdraft		-	-	
		<u>£7,971,861</u>	<u>£2,919,246</u>	

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2018

1. FEES

	2018 £	2017 £
Fees receivable consist of:		
Tuition fees	33,810,394	31,844,411
Music fees	466,314	446,283
	<u>34,276,708</u>	<u>32,290,694</u>
Less: Allowances	(270,608)	(284,297)
Less: Bursaries funded from unrestricted funds	(1,025,990)	(1,060,110)
Less: Bursaries funded from restricted funds	(396,306)	(367,855)
	<u>(1,422,296)</u>	<u>(1,427,965)</u>
Less: Scholarships	(115,153)	(166,464)
	<u>£32,468,651</u>	<u>£30,411,968</u>

Scholarships, bursaries and other awards were paid to 169 pupils (2017: 170). Within this, means tested bursaries totalling £1,422,296 were paid to 76 pupils (2017: £1,427,965 to 81 pupils).

2. OTHER INCOME

	2018 £	2017 £
Other educational charitable income		
Administration charges	6,069	750
Entrance & registration fees	214,870	196,778
Lettings	69,866	7,222
	<u>290,805</u>	<u>204,750</u>
Other ancillary activities		
Mallinson Sports Centre	345,077	515,731
Other income	4,082	4,331
Rents	636,267	676,393
Educational visits	345,599	678,991
6th Form and Tuck Shop income	51,303	53,442
	<u>1,382,328</u>	<u>1,928,888</u>
	<u>£1,673,133</u>	<u>£2,133,638</u>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

3. DONATIONS AND LEGACIES (2018)

	Unrestricted £	Restricted £	2018 £	2017 £
Endowment Funds	-	-	-	-
Restricted Funds	-	985,695	985,695	1,027,256
Unrestricted donations	691,878	-	691,878	229,997
	<u>£691,878</u>	<u>£985,695</u>	<u>£1,677,573</u>	<u>£1,257,253</u>

DONATIONS AND LEGACIES (PRIOR YEAR)

	Unrestricted £	Restricted £	2017 £	2016 £
Endowment Funds			-	-
Restricted Funds	-	1,027,256	1,027,256	598,138
Unrestricted donations	229,997	-	229,997	245,182
	<u>£229,997</u>	<u>£1,027,256</u>	<u>£1,257,253</u>	<u>£843,320</u>

4a. ANALYSIS OF EXPENDITURE

	2018 £	2017 £
<u>Net income is stated after charging:</u>		
Auditors' remuneration – audit fees	35,760	34,000
Auditors' remuneration – other services	3,540	6,355
Depreciation	2,595,912	2,621,845
	<u>2,635,212</u>	<u>2,662,200</u>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

4b.

	Average Staff Numbers 2018	Staff Costs	Depreciation	Other	2018 Total	2017 Total
<u>Charitable Activity – School</u>						
<u>Operating Costs</u>						
Teaching costs	285	17,495,549	-	2,430,417	19,925,966	19,241,975
Welfare	53	861,821	-	960,140	1,821,961	1,879,739
Premises	37	1,374,329	2,595,912	2,536,614	6,506,855	6,546,834
(Profit) on disposal of fixed assets		-	-	-	-	(1,000)
Grants, awards and prizes		-	-	14,899	14,899	12,330
Support costs and governance	117	2,061,954	-	1,635,968	3,697,922	3,309,463
Finance costs		-	-	506,267	506,267	531,814
Mallinson Sports Centre		-	-	183,276	183,276	222,728
	<u>492</u>	<u>£21,793,653</u>	<u>£2,595,912</u>	<u>£8,267,581</u>	<u>£32,657,146</u>	<u>£31,743,883</u>

PRIOR YEAR

	Average Staff Numbers 2017	Staff Costs	Depreciation	Other	2017 Total	2016 Total
<u>Charitable Activity – School</u>						
<u>Operating Costs</u>						
Teaching costs	273	16,469,881	-	2,772,094	19,241,975	18,547,772
Welfare	56	802,856	-	1,076,883	1,879,739	1,669,313
Premises	38	1,401,196	2,588,502	2,557,136	6,546,834	6,465,709
(Profit) on disposal of fixed assets		-	-	(1,000)	(1,000)	-
Grants, awards and prizes		-	-	12,330	12,330	12,726
Support costs and governance	99	1,828,745	-	1,480,718	3,309,463	2,818,751
Finance costs		-	-	531,814	531,814	473,509
Mallinson Sports Centre		-	-	222,728	222,728	173,244
	<u>466</u>	<u>£20,502,678</u>	<u>£2,588,502</u>	<u>£8,652,703</u>	<u>£31,743,883</u>	<u>£30,161,024</u>

HIGHGATE SCHOOL**NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 JULY 2018****4c. BURSARIES AND OTHER GRANTS**

	2018	2017
	£	£
From restricted funds:		
Bursaries and other grants and awards	396,306	367,855
From unrestricted funds:		
Bursaries and other grants and awards	1,025,990	1,060,110
	<u>£1,422,296</u>	<u>£1,427,965</u>

4d. GOVERNANCE INCLUDED IN SUPPORT COSTS

	2018	2017
	£	£
Remuneration paid to auditors		
- audit services	35,760	34,000
- others services	3,540	6,355
Governors' reimbursement to Governors' expenses	4,291	9,780
	<u>£43,591</u>	<u>£50,135</u>

The support costs relate to the charitable activity of running the School.

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

5. STAFF COSTS

	2018 No.	2017 No.
The average number employed by the company within each category of persons was:		
Teaching staff	285	273
Support staff	207	193
	<u>492</u>	<u>466</u>
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	17,389,110	16,386,736
Social Security costs	1,867,385	1,751,403
Pension costs	2,490,368	2,324,786
Termination payments	46,790	39,753
	<u>£21,793,653</u>	<u>£20,502,678</u>
Aggregate employee benefits of 7 key management personnel	<u>£1,368,724</u>	<u>£1,280,424</u>
	2018 No.	2017 No.
The number of higher paid employees was:		
Taxable emoluments band:		
£60,000 - £70,000	41	39
£70,000 - £80,000	16	14
£80,000 - £90,000	3	3
£90,000 - £100,000	1	1
£100,000 - £110,000	1	-
£110,000-£120,000	1	2
£120,000-£130,000	-	1
£130,000-£140,000	1	1
£140,000-£150,000	1	1
£160,000 - £170,000	1	-
£280,000 - £290,000	-	1
£310,000- £320,000	1	-
	<u>65</u>	<u>60</u>
The number with retirement benefits accruing was:	£796,303	£754,830
Of which contributions amount to:		

During the year the School obtained, within its general insurance, professional indemnity and governors liability insurance cover of £10,000,000 (2017: £5,000,000).

Other expenditure includes an amount of £4,291 which relates to expenses for four members of the Governing Body (2017: £9,780 for two members).

No Governors received any remuneration or benefits other than the expenses disclosed above from the School or any connected organisation.

HIGHGATE SCHOOL**NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 JULY 2018****6. TANGIBLE FIXED ASSETS**

	Total	Freehold Land and Permanent Buildings	Equipment and Motor Vehicles
	£	£	£
COST/VALUATION			
At 1 August 2017	120,335,013	118,069,244	2,265,769
Additions	1,509,238	1,468,388	40,850
Disposals	-	-	-
	<u>121,844,251</u>	<u>119,537,632</u>	<u>2,306,619</u>
At 31 July 2018			
DEPRECIATION			
At 1 August 2017	27,764,176	26,139,746	1,624,430
Charge for the year	2,595,912	2,488,095	107,817
Disposals	-	-	-
	<u>30,360,088</u>	<u>28,627,841</u>	<u>1,732,247</u>
At 31 July 2018			
NET BOOK VALUE			
At 31 July 2018	<u>£91,484,163</u>	<u>£90,909,791</u>	<u>£574,372</u>
At 31 July 2017	<u>£92,570,837</u>	<u>£91,929,498</u>	<u>£641,339</u>

The original land and buildings of the School are subject to a permanent endowment. The Endowment Fund reflects the rebased cost of assets principally constituting the main Island Site, following engagement with the Charity Commission, as at 31 July 2016 (see note 12).

Depreciation calculated on a historical basis would be lower by £495,720 than the amount shown above (2017: lower by £495,720).

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

7. FIXED ASSET INVESTMENTS

	Unrestricted £	Endowment £	Restricted £	Total 2018 £	Total 2017 £
Market value					
At 1 August 2017	-	1,204,941	-	1,204,941	1,081,472
Additions	-	234,034	-	234,034	259,390
Disposals	-	(207,639)	-	(207,639)	(256,953)
Revaluations	-	72,079	-	72,079	121,032
	<u>-</u>	<u>1,303,415</u>	<u>-</u>	<u>1,303,415</u>	<u>1,204,941</u>
Cash awaiting investment	-	39,287	-	39,287	44,965
At 31 July 2018	<u>-</u>	<u>£1,342,702</u>	<u>-</u>	<u>£1,342,702</u>	<u>£1,249,906</u>

8. STOCKS

	2018 £	2017 £
Catering, cleaning, stationery	<u>£58,425</u>	<u>£57,216</u>

9. DEBTORS

	2018 £	2017 £
Fees	475,245	495,194
Loans to employees	130,512	188,334
Prepayments and accrued income	916,311	586,765
Other debtors	17,883	220,682
	<u>£1,539,951</u>	<u>£1,490,975</u>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

10. CASH AT BANK AND IN HAND

	2018	2017
	£	£
Bank deposit and current accounts	£7,971,861	£2,919,246

11a. CREDITORS

	2018	2017
	£	£
Bank Loan	777,778	-
Fee deposits	3,031,295	2,608,149
Fees received in advance	1,314,179	1,115,235
Audit & accountancy	35,760	34,000
Accruals and deferred income	2,498,223	2,976,721
Other creditors	187,831	225,131
	<u>7,845,066</u>	<u>6,959,236</u>
Due after one year		
Advance payments	3,767,309	2,943,814
Bank Loan	14,222,222	15,000,000
Pension provision	973,000	1,064,000
	<u>£26,807,597</u>	<u>£25,967,050</u>

A bank loan of £15m is in place to assist in the financing of the school's capital programme and is repayable by September 2025. £10m of the loan was fixed at an interest rate of 3.832% and £5m of the loan was secured at 2.0% above LIBOR. The loans are secured on some of the residential properties held by the school.

At 31 July the school had the following annual commitments under non-cancellable operating leases:

	2018	2017
	£	£
Leases expiring within 1 year	7,784	14,327
Leases expiring between 2 - 5 years	10,314	18,095
Leases expiring between greater than 5 years	-	-
	<u>£18,098</u>	<u>£32,422</u>

HIGHGATE SCHOOL**NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 JULY 2018**

11b. ADVANCE FEES	2018	2017
	£	£
After 5 years	765,916	497,691
Within 2 to 5 years	1,924,307	1,548,143
Within 1 to 2 years	1,077,086	897,980
	<hr/>	<hr/>
	3,767,309	2,943,814
Within 1 year	1,314,179	1,115,235
	<hr/>	<hr/>
	£5,081,488	£4,059,049
	<hr/> <hr/>	<hr/> <hr/>
		2018
		£
The movements during the year on the accrued liability under the contracts were:		
Balance at 1 August 2017		4,059,049
New contracts		2,393,097
		<hr/>
		6,452,146
Amounts utilised in payment of fees:		(1,370,658)
To the school		
		<hr/>
		£5,081,488
		<hr/> <hr/>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

12. ENDOWMENT FUNDS

	Balance at 1 August 2017 £	Net income/ (expenditure) £	Transfers Between Funds £	Investment gains(losses) £	Balance at 31 July 2018 £
Property Fund	27,789,363	-	-	-	27,789,363
Sinking Fund	180,223	350	-	21,195	201,768
Prize Fund	420,248	6,951	-	23,247	450,446
Furnival Jones Library Fund	22,498	-	-	1,245	23,743
Arthur (Bill) and Beryl Field Memorial Bursary Fund	430,207	-	-	23,798	454,005
Zikel Music Fund	68,256	-	-	3,775	72,031
	<u>£28,910,795</u>	<u>£7,301</u>	<u>£-</u>	<u>£73,260</u>	<u>£28,991,356</u>

PRIOR YEAR (2017):

	Balance at 1 August 2016 £	Net income/ (expenditure) £	Transfers Between Funds £	Investment gains(losses) £	Balance at 31 July 2017 £
Property Fund	27,789,363	-	-	-	27,789,363
Sinking Fund	158,366	328	-	21,529	180,223
Prize Fund	364,627	7,736	-	47,885	420,248
Furnival Jones Library Fund	19,886	-	-	2,612	22,498
Arthur (Bill) and Beryl Field Memorial Bursary Fund	380,267	-	-	49,940	430,207
Zikel Music Fund	60,333	-	-	7,923	68,256
	<u>£28,772,842</u>	<u>£8,064</u>	<u>£-</u>	<u>£129,889</u>	<u>£28,910,795</u>

Property Fund: Represents the net book value as at 31 July 2016 of the endowed property of the School, principally constituting the main Island Site. Further details are provided in Note 14 of the accounts for year-ending 31 July 2016.

Sinking Fund: Represents the recoupment required under a Charity Commission scheme on the utilisation of endowed funds in earlier years which expires in 2018.

Prize Fund: Represents donations received where the capital element was to be retained and the income arising utilised for awards to pupils.

Furnival Jones Library Fund: Represents a donation received where the capital element was to be retained and the income arising utilised for the library.

Arthur (Bill) and Beryl Field Memorial Bursary Fund: a fund established from which the income is to provide bursarial assistance at the discretion of Governors.

Zikel Music Fund: A fund established from which the income be used for or towards music tuition (including the hire of the associated instrument) for a promising pupil entering the school who would not otherwise be able to afford the cost of such tuition.

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

13. RESTRICTED FUNDS

	Balance at 1 August 2017 £	Net income/ (expenditure) £	Transfers between funds £	Investment gains/(losses) £	Balance at 31 July 2018 £
Furnival Jones Library Fund	1,318	469	-	-	1,787
Outreach Project	21,063	127	-	-	21,190
Robin Barnard Bequest	29,750	-	-	-	29,750
Bursary Fund	673,924	198,366	-	-	872,290
LAET	236,450	(121,633)	-	-	114,817
LAET Library	23,505	(21,175)	-	-	2,330
Open Door	54,431	-	-	-	54,431
Arthur (Bill) and Beryl Field Memorial Bursary Fund	24,766	8,959	-	-	33,725
Learning Support Fund	-	200,000	-	-	200,000
Museum Fund	6,033	25	-	-	6,058
Other Funds	2,000	(2,000)	-	-	-
Mental Health Fund	-	150,000	-	-	150,000
	<u>£1,073,240</u>	<u>£413,138</u>	<u>£-</u>	<u>£-</u>	<u>£1,486,378</u>

PRIOR YEAR (2017):

	Balance at 1 August 2016 £	Net income/ (expenditure) £	Transfers between funds £	Investment gains/(losses) £	Balance at 31 July 2017 £
Furnival Jones Library Fund	831	487	-	-	1,318
Outreach Project	82,838	(61,775)	-	-	21,063
Robin Barnard Bequest	29,750	-	-	-	29,750
Bursary Fund	363,511	310,413	-	-	673,924
Capital Projects	-	236,450	-	-	236,450
Open Door	-	23,505	-	-	23,505
Arthur (Bill) and Beryl Field Memorial Bursary Fund	54,431	-	-	-	54,431
Zikel Music Fund	15,446	9,320	-	-	24,766
Museum Fund	-	-	-	-	-
	5,000	1,033	-	-	6,033
	-	2,000	-	-	2,000
	<u>£551,807</u>	<u>£521,433</u>	<u>£-</u>	<u>£-</u>	<u>£1,073,240</u>

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

13. RESTRICTED FUNDS (continued)

Library Fund: donations received towards the improvements in library facilities at Highgate School.

Robin Barnard Bequest: for the benefit of pupils wishing to pursue careers in medicine or science.

Bursary Fund: donations received from fundraising to be used to fund future bursaries at the School.

Outreach Project, Capital Projects and E-learning Funds: donations received for the purposes described in the fund name.

Open Door: donation received to encourage pupils in their explanation or understanding of the Christian faith.

Arthur (Bill) and Beryl Field Memorial Bursary Fund: a fund established from which the income is to provide bursarial assistance at the discretion of Governors.

Zikel Music Fund: A fund established from which the income be used for or towards music tuition (including the hire of the associated instrument) for a promising pupil entering the school who would not otherwise be able to afford the cost of such tuition.

Museum fund: A fund established to assist in the development and ongoing costs associated with the School Museum.

LAET: A fund following a Gala event and other donations throughout the year to raise money for LAE Tottenham.

LAET Library: A fund to support purchase of books for LAE Tottenham.

Other: Donations received for CCF and PPS/JS.

Learning Support: Donation received for additional staffing to strengthen Learning Support.

Mental Health: Donation received towards staffing costs for 18/19 and 19/20 of enhanced mental health provision.

14. UNRESTRICTED FUNDS

	Balance at 1 August 2017 £	Net income/ (expenditure) £	Transfers between funds £	Investment gains/ (losses) £	Balance at 31 July 2018 £
<u>Designated Funds</u>					
Property Fund	42,337,095	-	2,774,676	-	45,111,771
<u>General Funds</u>					
Revenue Reserve	-	2,774,676	(2,774,676)	-	-
TOTAL	£42,337,095	£2,774,676	£-	£-	£45,111,771

PRIOR YEAR (2017):

	Balance at 1 August 2016 £	Net income/ (expenditure) £	Transfers between funds £	Investment gains/ (losses) £	Balance at 31 July 2017 £
<u>Designated Funds</u>					
Property Fund	40,781,470	-	1,555,625	-	42,337,095
<u>General Funds</u>					
Revenue Reserve	-	1,555,625	(1,555,625)	-	-
TOTAL	£40,781,470	£1,555,625	£-	£-	£42,337,095

The Property Fund reflects the net book value of unrestricted fixed assets together with the proceeds of asset disposals which the Governors intend to reinvest in fixed assets.

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

15. ANALYSIS OF THE NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Investments £	Net Current Assets less Liabilities £	Long term Liabilities £	Total £
Endowment Funds	27,789,363	1,342,702	(140,709)	-	28,991,356
Restricted Funds	-	-	1,486,378	-	1,486,378
Unrestricted :					
General	-	-	-	-	-
Designated	63,694,800	-	379,502	(18,962,531)	45,111,771
	<u>£91,484,163</u>	<u>£1,342,702</u>	<u>£1,725,171</u>	<u>£(18,962,531)</u>	<u>£75,589,505</u>

PRIOR YEAR (2017):

	Fixed Assets £	Investments £	Net Current Assets less Liabilities £	Long term Liabilities £	Total £
Endowment Funds	27,074,530	1,249,906	586,359	-	28,910,795
Restricted Funds	-	-	1,073,240	-	1,073,240
Unrestricted :					
General	-	-	-	-	-
Designated	65,496,307	-	(4,151,398)	(19,007,814)	42,337,095
	<u>£92,570,837</u>	<u>£1,249,906</u>	<u>£(2,491,799)</u>	<u>£(19,007,814)</u>	<u>£72,321,130</u>

16. CAPITAL COMMITMENTS

	2018	2017
Authorised and contracted for	<u>£2,780,000</u>	<u>£185,000</u>

17. POST BALANCE SHEET EVENT NOTE

Highgate School has entered into a conditional contract for the sale of some non-academic properties. The condition requires the re-routing of the sewer. Subject to the condition being satisfied, the cost of the works, up to an agreed capped level, will be deducted from the agreed price of sale.

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

18. PENSION COMMITMENTS

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,832,312 (2017: £1,730,365) and at the year-end £Nil (2017 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019. There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

Pension Trust

Highgate School participates in the Independent Schools' Pension Scheme (ISPEN). The Scheme is funded and is contracted out of the state scheme. ISPEN is a multi-employer defined benefit scheme. 142 employees currently participate in the scheme. 134 employees participate on a final salary basis with a 1/80th accrual rate. From 1 September 2017, these employees made a contribution of 6% of pensionable salary to the scheme whereas the School made an employer contribution of 13.4%. A further 8 employees, who pre-1996 were members of the Highgate School Retirement and Death Benefits Scheme, participate on a final salary basis with a 1/60th accrual rate. These employees made a contribution of 6% whereas the School's contribution was 19.7%.

The last formal valuation of the scheme was performed as at 30 September 2014 by a professionally qualified actuary using the Projected Unit Method. The market value of the scheme's assets at the valuation date was £110.0 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £37.4 million, equivalent to a past service funding level of 75%. Following consideration of the results of the actuarial valuation, it was agreed that the shortfall of £37.4 million would be dealt with by the payment of deficit contributions, from all participating employers allocated in line with their estimated share of the scheme liabilities, of £2.341 million per annum from 1 September 2018 to 31 August 2029. These deficit contributions are in addition to the long-term joint contribution rates (highlighted above).

There is a potential debt on the employer that could be levied by the Trustees of the scheme. The debt is due in the event of the employer ceasing to participate in the scheme or the scheme winding up. Highgate School has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Independent Schools' Pension Scheme based on the financial position of the scheme as at 30 September 2017. As of this date the estimated employer debt was £9,042,215. This amount is not provided for in the accounts as it is not considered likely that the School will withdraw from the scheme.

HIGHGATE SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

19. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
COMPARATIVE FIGURES BY FUND

	Notes	General Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £	Total 2016 £
INCOME FROM:							
Charitable activities							
School fees receivable	1	30,411,968	-	-	-	30,411,968	27,930,031
Other educational income	2	204,750	-	-	-	204,750	202,067
Ancillary trading income	2	1,928,888	-	-	-	1,928,888	1,633,463
Investments							
Bank and other interest		1,096	-	13	13	1,122	8,345
Investment income		4,500	-	11,273	9,251	25,024	22,925
Voluntary sources							
Donations	3	229,997	-	1,027,256	-	1,257,253	843,320
Total Income		<u>32,781,199</u>	<u>-</u>	<u>1,038,542</u>	<u>9,264</u>	<u>33,829,005</u>	<u>30,640,151</u>
EXPENDITURE ON:							
Raising funds							
Finance costs		531,814	-	-	-	531,814	473,509
Charitable activities							
School operating costs		30,693,760	-	517,109	1,200	31,212,069	29,687,515
Total expenditure	4	<u>31,225,574</u>	<u>-</u>	<u>517,109</u>	<u>1,200</u>	<u>31,743,883</u>	<u>30,161,024</u>
NET INCOME		1,555,625	-	521,433	8,064	2,085,122	479,127
Gains on investment assets		-	-	-	129,889	129,889	48,352
Transfers between funds	14	(1,555,625)	1,555,625	-	-	-	-
Net movement in funds		-	1,555,625	521,433	137,953	2,215,011	527,479
Balances brought forward at 1 August 2016		-	40,781,470	551,807	28,772,842	70,106,119	69,578,640
Balances carried forward at 31 July 2017		<u>£-</u>	<u>£42,337,095</u>	<u>£1,073,240</u>	<u>£28,910,795</u>	<u>£72,321,130</u>	<u>£70,106,119</u>